

FINANCIAL TIMES

Inflation
Guidelines yes,
rules no
Samuel Brittan, Page 8

Wireless wonders
Linking radio
and computers
Technology, Page 16

Future king
The gospel of
Leo Melamed
Book review, Page 6

The Big Tent
Black, gay and
Republican
Page 3

Japanese bank fined \$1m by US authorities

A US subsidiary of the Long-Term Credit Bank of Japan was fined \$1m by US authorities and ordered to improve its internal management. The New York State Banking Department issued the order against L/CB Trust after the discovery of irregularities in the official reporting of the company's transactions. Page 11

US and Japan The US and Japan have agreed a deal to resolve a dispute over the sale of the Long-Term Credit Bank of Japan's subsidiary in response to plunging sales in North America. Page 11

French Cyprus France has ordered a Greek Cypriot vessel to be killed and two British frigates were wounded when the Cypriot vessel fired on the British frigates in the Aegean Sea. Page 11

India blocks test ban talks India blocked forwarding a global nuclear test ban treaty to the full Conference on Disarmament, postponing six years of negotiations. Page 4

Unsettling news in Germany An uneasy stand-off prevailed in Germany after the Russian army and Chechen resistance fighters agreed a temporary ceasefire. There were reports of sporadic gunfire throughout Chechnya as each side accused the other of violating the truce. Page 2

Headed towards profits German chemical and pharmaceutical company Hoechst is expecting annual operating profits to increase by nearly a third following the start of a recovery from a steep downturn in domestic demand. Page 11; Lex, Page 10

Search order for Malaysia Saudi Arabia placed a \$600m order with the Franco-German Eurocopter joint venture for 18 Cougar Mark-3 search and rescue helicopters. Page 4

Hungary and Romania Hungary and Romania cleared the way for the signing of a historic bilateral treaty aimed at normalising their relations, after years of wrangling over minority rights. Page 2

Japan's conservative leadership The leadership of a Japanese conservative in Tokyo, Masuda, reawakened public concern over computer security measures. The director, who is demanding a review of the release of information, is president of a California subsidiary of Japan's Sanryo Electric. Page 10

US attack on counterfeiters The White House is to appoint a task force to help ensure that clothing and footwear sold in the US is manufactured under genuine trademark conditions. Page 3

Argentine unions threaten strike Argentine unions said they might call a general strike for the end of this month in protest at an austerity package announced by economy minister Roque Fernandez. Page 5

China's state television China said claims by Rupert Murdoch that his Hong Kong-based Star TV network was about to secure access to the country's best growing cable television market were premature. Page 5

Australia's central banker Howard Lawson Macfarlane was named next governor of Australia's Reserve Bank, the central monetary authority. The appointment ends months of speculation. Page 6

Two Malaysian companies Two Malaysian companies signed agreements to establish a stock exchange in the Russian republic of Tatarstan. Page 4

France's Telecom France's Telecom said it had abandoned hopes of launching a bid for the French firm, in the wake of heavy losses from widespread fraud on its mobile phone network. Page 11

Munich Re moves on US market

Leading reinsurance group in \$3.3bn takeover deal

Munich Reinsurance, the world's largest reinsurance company, yesterday announced its biggest-ever takeover with a \$3.3bn offer for American Re. The move is aimed at strengthening its presence in the dominant US market. The company said terms had been agreed with American Re's chairman, Robert J. Glick, the New York City-based specialist which owns 95 per cent of American Re, and with the latter's board. Munich Re's offer of one share, which compares with Tuesday's closing price of \$67, also includes a 5 per cent premium and a 5 per cent cash offer for American Re shareholders. American Re has around 10 per cent of the US reinsurance business, which accounts for nearly half the world market, and is the country's third largest property and casualty reinsurer with gross premiums of some \$4.5bn. Munich Re has

between 3 per cent and 5 per cent of the US market. Mr Hans-Jürgen Schneider, Munich Re's chairman, said the deal was "a great step forward". The transaction will deliver a big profit to Munich Re and its investors. When MRK bought American Re for \$1.8bn in 1992, the value of its equity investment in the company was \$600m. A KKR representative said yesterday's deal put a

value of \$600m on that stake, including dividends about to be paid. Analysts were surprised at the deal as Munich Re had played down its interest in buying American Re. The German company has edged out employees in (owned by General Electric of the US) and Swiss Re by paying what Mr Tom Bernett, European insurance analyst at Banque Paribas Capital Markets, called "a full price" - about three times its net worth. Munich Re said it saw attractive growth prospects in the US, which American Re had been in since 1992. New Jersey has nearly 80 per cent of its business. The rest is spread through north, south and central America, Europe, Asia and the Pacific market. It held American Re had a record of

above-average growth and high profitability. However, American Re made a net loss of \$88m last year after provisions for asbestos and pollution claims; without these, it would have earned a \$20m profit. In 1994, it earned net income of \$57.5m. In the first half of 1995, net income rose 85 per cent to \$47.5m. Munich Re said the deal would raise its total premium income

Continued on Page 10
A premium on sale, Page 9
Lex, Page 10

Juppé denies conflict with Bank of France

The French government yesterday moved to deny any division between it and the Bank of France in the face of continued pressure on the bank, while stressing its ability to meet tighter budgetary targets.

Mr Alain Juppé, prime minister, interrupted his holiday to hold a press conference at which he dismissed reports of a rift between the bank and the government. He said that the bank and the government were "in complete agreement".

He also argued that the French economy was strong, and stressed his belief, despite speculation from the markets, that the government would be able to maintain its objective of a reduction in public spending by 1997 that would be sufficient to meet criteria for euro-zone membership.

Even before the comments were reported yesterday morning, pressure on the bank had eased slightly, and included the day in London at FRSA's annual meeting with Juppé at the end of July.

Officials said Mr Juppé had returned briefly to Paris on Friday ministerial business, and decided to speak out in response to rumours circulating about the currency.

His comments came the day after Mr Jean Artières, economics and finance minister, gave an interview in the magazine *Point-à-Point* in which he ruled out suggestions that Mr Jean-Claude Trichet, Bank of France governor, was among those likely to be ousted in a new legal action targeted against senior bank officials linked to the management of



US secretary of state Warren Christopher (right) with Serbian president Slobodan Milosevic, Serbia's president, and his Bosnian and Croatian counterparts in Geneva yesterday in an effort to resolve violations of the Dayton peace accords. The Croatians and Bosnians heads pledged to shake up their alliance a month ahead of elections in Bosnia. Report, Page 11; Editorial Comment, Page 9

Foreign bank to appeal after court orders reinstatement of 166 workers

HSBC to fight Indonesia labour ruling

The dispute broke out this year after the bank and the union failed to agree on the renewal of a collective labour agreement, which covers conditions of employment, and about a third of the bank's staff went on strike. The bank in effect asked the striking employees after invoking a government decree

which states that an employee who has been absent for more than five consecutive days without permission has resigned. The workers appealed to an arbitration body within the ministry of manpower. The body ordered the bank to reinstate the workers with back salaries, and it held until this week to comply.

Mr Bernett said the bank was "not surprised" by the arbitration body's ruling, adding that the bank would try to resolve the issue through the legal system.

"Until we believe that justice and the due legal process have been served then we will take

Continued on Page 10

SBC profits boosted by Warburg's performance

The acquisition of Warburg, a number of purchases of UK merchant banks and brokers by commercial banks have failed in the past because of awkward culture clashes. SBC's acquisition of S.G. Warburg, which occurred after the UK's largest investment bank suffered a downturn in profits in 1994, has been strikingly successful. Clearly one of the keys that occurred in the wake of the collapse of UK merchant bank Barings in February 1995. Some 55 of 126 directors in the corporate finance arm of S.G. Warburg either resigned or were dismissed after the SBC acquisition. SBC Warburg, which forms the investment banking arm of SBC, contributed to a 30 per cent rise in SBC's pre-tax profit. "Combining many of the talents we consider the international to have been a success," said Mr George Egan, chairman. Although figures for

Buy-In Management Buy-Out

Led, structured and arranged by
NatWest Ventures

Equity provided by
NatWest Ventures Limited

Senior debt provided by
Midland Bank

Mezzanine provided by
HSBC Investment Bank plc

Market	2	Company & Finance	14	Money Markets	17
Macroeconomic	3	Legal Page	15	Commodities	18
FT 100	4	Law	16	FT Advertisers	19
FT 1000	5	Technology	17	FT 1000	20
FT 500	6	Art & Culture	18	Foreign Exchange	21
FT 250	7	Arts & Culture	19	Banking	22
FT 100	8	Arts & Culture	20	Insurance	23
FT 50	9	Arts & Culture	21	Real Estate	24
FT 25	10	Arts & Culture	22	Equities	25

سكينة من الامل

NEWS: THE AMERICAS

Lonely for blacks in the Big Tent

But the Republican party is courting minorities, reports Patti Waldmeir

Abner Mason should not be famous. But this young, black, gay Republican has become something of a celebrity since General Colin Powell outlined a new Republican electoral strategy on Monday night.

As Mr Mason points out, his fame proves how small the tent really is. In a more diverse party, he would be less remarkable.

Instead he has become unofficial spokesman for the Big Tent faction and carries Big Tent label stickers in the breast pocket of his starched button-down shirt. This North Carolina-born yuppie is a member of the Massachusetts delegation and one of only 64 black delegates to the Republican party convention - less than 3 per cent of the total, despite valiant party efforts to stress the new diversity.

Mr Mason admits it is a lonely life in his chosen party but believes all that is about to change. "This party has figured out that it was on the wrong track. The party of Lincoln had become the party of Buchanan," he says, referring to erstwhile presidential contender Mr Pat Buchanan, an ultra-conservative Republican who has made no secret of his opposition to homosexuality.

"But the party realised that that road leads to political oblivion, and this convention has taken the first steps to getting it back on track. The forces of intolerance have lost."

Mr Mason bases that judgement on the fact that, through the ultra-conservative faction had its way with the party platform, the convention-speaking programme has been packed with Republican moderates. Monday's celebrity speaker was Mr Powell and Tuesday's was Congresswoman Susan Molinari, another candidate for diversity, an abortion rights supporter and a woman.

Mr Mason says that is a victory for the party's presidential nominee. "Bob Dole lost the platform fight, but the platform doesn't matter," he argues, referring to action by the party's platform committee. Dominated by conservatives, the committee excised Mr Dole's proposed references to tolerance of opposing viewpoints to a "minority report" or appendix. But when it came to podium speeches, the candidate triumphed.

On the convention floor, however, Mr Mason's "forces of intolerance" are strong if not dominant. Some 600 of the 1,900 delegates are members of the ultra-right Chris-

Patti Waldmeir reports on a positive if unsurprising Republican convention All eyes on Dole to maintain 'bounce'

The Republican party convention in San Diego will reach a climax tonight when Mr Bob Dole accepts his party's presidential nomination and delivers a speech aimed at persuading voters that he can come from behind and win the White House.

Convention delegates, buoyed psychologically by a convention which has avoided dissent and captured largely positive headlines, will be looking to Mr Dole to sustain their party's new momentum beyond the close of business in San Diego tonight.

For the first time in days, Mr Dole last night became the focus of the convention proceedings, with the official choice of a nominee the primary item on the agenda. The previous days had been dominated by positive media coverage of his running mate, Mr Jack Kemp, and the convention's opening speaker, former General Colin Powell.

The surprise choice of Mr Kemp and the re-interview of Mr Powell's speech, delegates an early morale boost. But by last night that had waned slightly, as Republicans faced criticism that they had scripted their con-



Bob Dole waves after a lunch in downtown San Diego. He will accept his party's presidential nomination tonight.

vention too tightly, for the benefit of television, and deprived it of both spontaneity and interest.

Mr Ted Koppel, host of one of the premier television news programmes, ABC's Nightline, left San Diego on Tuesday night saying his

show would no longer cover the convention. "This convention is more of an infomercial than a news event," he told viewers. "Nothing surprising has happened. Nothing surprising is anticipated."

Viewers also reacted badly to the made-for-TV convention. Rating figures for Monday night, when Mr Powell spoke, showed a 27 per cent drop from those for the equivalent night at the 1992 convention.

Partly this reflects a deliberate Republican attempt to project an image of dull harmony from the podium, where speakers on Tuesday night avoided all mention of controversial topics.

Congresswoman Susan Molinari, chosen as keynote speaker because of her support for abortion rights, did not mention the issue in her speech.

Mr Dole will need to deliver the best speech of his life tonight if he is to prolong the "convention bounce" he can expect from the opinion polls, and overcome the 20-point deficit with Mr Clinton which he had when the convention opened.

At that stage, Mr Dole was further behind his rival than anyone who has gone on to win in any modern campaign.

Old guard defends international role Senior party members at odds with grass roots on foreign policy, writes Jurek Martin

A funny thing happened on the way to the convention arena on Tuesday. Four well known Republicans got together to say (relatively) nice things about the United Nations and its secretary general, Mr Boutros Boutros Ghali.

They were not delegates nor were they running for office anywhere, but their credentials were impressive. They are Henry Kissinger, Alexander Haig, George Shultz and Lawrence Eagleburger - merely four of the last five Republican secretaries of state (James Baker, the fifth, was absent).

Though they preferred to raku President Bill Clinton's conduct of foreign policy over the coals, their parallel mission was to remind anybody who wanted to listen that the Republican party has a long tradition of internationalism that has no business being ditched.

As Dr Kissinger put it, "the danger we faced in the cold war was defeat, the danger we face now is irrelevance." Naturally, they all said that a Bob Dole administration would guarantee to keep the US engaged as a true leader in global affairs more effectively than the current one.

That is not exactly the message of the party's platform, which contains some nationalist sentiments close to the heart of Mr Pat Buchanan, the former candidate for the party's nomination, who has little truck with foreign governments and international institutions.

Of many ripe passages, one attacks the "Clintonite view that soon nationhood as we know it will be obsolete; all states will recognise a single authority."

The greater risk is that in the course of the campaign a candidate offers hostages to fortune that may tie his hands in foreign affairs if he becomes president.

That was arguably the case with Mr Clinton's promise in 1992 at a largely Irish-American rally to appoint a special envoy to Northern Ireland. At the time this commitment greatly disturbed the British government and it did prove the harbinger of the US drive to bridge the Ulster divide.

Other recommendations have been thoroughly shadowed, none more so than: "We oppose the commitment of American troops to UN 'peacekeeping' operations under foreign commanders and will never compel American servicemen to wear foreign uniforms or insignia."

The second part of this recommendation stems from a case dear to Mr Buchanan's heart - that of Corp Michael New, court-martialled last year for refusing to wear the UN blue beret.

Closer to the transatlantic bone is the demand for the "immediate expansion" of Nato to include the recently democratised countries of eastern Europe. Russia, the platform states, may have a "special security arrangement with Nato" but no veto over its enlargement.

The redemption of some promises may be avoided. In 1980, candidate Ronald Reagan said he would set "a date certain" for the release of the US hostages in Tehran after which military action would ensue, but the hostages were released at the moment of his inauguration.

This year, it is evident that the incumbent looks less vulnerable now in foreign affairs than he did two years ago. Recent successes in the Middle East, the Balkans and Northern Ireland look shakier than they did but the drum beat of criticism has become more

mutated, reflecting the relative lack of interest in foreign policy from the electorate. Still, the four ex-secretaries of state implicitly warned Mr Dole not to get carried away and demote Mr Boutros Ghali, as he has been doing for much of the last year, or to assume, as they argued Mr Clinton did, that the UN's only value is as an instrument of US policy, thus risking the solidarity of US relationships with its best allies.

There remains the possibility of a foreign policy "surprise" before the November election. Both the Bal-

kans and the Middle East are alive with the threat of new terrorism and there have been recent hints from Cuban-Americans that they may again seek to provoke President Fidel Castro into the sort of reaction that may, in turn, force Mr Clinton to act dramatically.

But that is an easy and conspiratorial hypothesis and any administration response will also take on board the president's standing in the opinion polls. After all, President George Bush did not intervene in Somalia in 1992 until after he had been defeated.

poster races to the dust north Spain

second death Cyprus clashes

sales grow

stake

off demand

中国出口商品交易会

THE CHINESE EXPORT COMMODITIES FAIR

30

the 80th Session Autumn'96

Covering a total floor space of 160,000 sqm., the current Chinese Export Commodities Fair is divided into six specialized exhibition halls, which are subdivided into 33 exhibition districts. The exhibits are displayed under six categories, i.e., Foodstuffs and Native Produce & Animal By-products; Light Industrial Products and Arts & Crafts; Textiles & Garments; Metals & Minerals and Chemical Products; Medicines & Health Products; Mechanical & Electronic Products. Thousands of Chinese foreign trade corporations (enterprises), who are of good credibility and sound financial capabilities, display more than 100,000 varieties of commodities here.

For invitation application or further information, please contact directly with China Foreign Trade Centre(Group) or the Commercial Counsellor's Offices / Sections of the local Chinese Embassies / Consulates or China Travel Service(H.K.) Ltd. and its overseas branches.

Business people from all parts of the world are welcome to the Fair.

Time: October 15th-30th, 1996
Sponsor: Chinese foreign trade enterprises
Organizer: China Foreign Trade Centre (Group)
Add: 117 Liuhua Road, Guangzhou, P. R. China
Tel: 86-20-86678000 Ext. 87621, 87631, 86661664
Cable: CEFCA GUANGZHOU
Fax: 86-20-83335880, 86665851

Argentine strike threatened

Argentine unions said yesterday they might call a general strike lasting 36 or 48 hours for the end of this month or early September in protest at an austerity package announced earlier this week by Mr Roque Fernandez, the economy minister, writes David Pilling in Buenos Aires.

Last week, a national strike brought the country to near-standstill and led to clashes between strikers and the security forces. It was the biggest strike faced by President Carlos Menem since he was first elected in 1989.

annual \$4bn-\$4.5bn, would kill off demand and plunge Argentina back into recession. A spokesman for the CGT trade federation said the measures, including tax rises and an end to several industrial and export-promotion subsidies, would quickly bring the government into conflict with unions, he warned. The CGT will decide whether to call a strike next Tuesday.

Clinton moves on sweatshops

By Nancy Durren and Stella Burch in Washington

The White House will soon appoint a high-level task force to help ensure that clothing and footwear sold in the US are manufactured under humane working conditions.

National Labour Committee, against The Gap clothes shops in the US, forced the management last December to promise to improve the lot of young workers in the suit-contracting factories in El Salvador. Pressure is being applied by the same group to improve conditions for Haitians making Walt Disney merchandise.

Human and labour rights are not brand names. They are the most basic products of our democracy. The companies have pledged to co-operate. Their representatives are scheduled to meet others on the task force on September 6 in the White House.

Under consideration is a proposal to provide "sweatshop free" lists or product labels. Remark International, a global programme, which uses labels to ensure no child labour was used in making hand-knotted rugs, was held up at the White House meeting as one model.

The White House initiative follows the growing use by US worker rights activists of consumer pressure to improve working conditions both in the US and abroad.

A boycott, called by the

Chief executive officers of Nike, Liz Claiborne, and other market leaders;

over 75 per cent of Americans would boycott stores selling goods produced in sweatshops. Almost 85 per cent said they would be willing to pay up to \$1 more on a \$20 garment if it carried a label guaranteeing that it had been made under humane conditions.

صحة الامن

Africa debate competition to resume

KYOCERA, world leader in high-tech ceramics, continuously develops new uses for its technology in the IT and automotive industry, medicine, electronics and metal processing.

FINANCIAL TIMES COMPANIES & MARKETS

Thursday August 15 1996

LEGAL DEFINITIONS pyramid selling... Rowe & Maw LAWYERS FOR BUSINESS

IN BRIEF General Mills buys Ralcorp brands

The breakfast cereal war in the US intensified when Ralcorp, the biggest US maker of private label cereals, announced the sale of its branded cereal business to the rival General Mills group for between \$380m and \$360m in General Mills stock.

Higher costs blamed for Fairfax decline John Fairfax, the Australian newspaper publisher which is the focus of bid speculation, announced a near-30 per cent fall in annual profit after tax but before abnormals to A\$101.5m (US\$73m).

Merita climbs 63% on disposals Merita, the dominant banking group in Finland, said profits rose 63 per cent in the first half of 1996 to Fm581m (\$154m), although it attributed much of the increase to non-recurring items such as property disposals.

Diabetes unit lifts Novo Nordisk A strong performance in its core diabetes division helped lift interim pre-tax profits at Novo Nordisk, the Danish pharmaceutical company, 19 per cent from Dkr1.03bn to Dkr1.23bn (\$215.2m).

Autoliv aims for 20% of airbag market Autoliv, the Swedish automotive accessories group, said it expected to increase its share of the world's car airbag market to nearly 20 per cent by 2000 from the current 12-13 per cent.

Prospects rise of fresh UK pharmacy bid The likelihood of a fresh bid for Lloyds Chemists, the UK pharmacy group, increased when the two suitors, Germany's Gebe and UniChem of the UK, indicated they were poised to fulfil the government's conditions for acquiring it.

World platinum industry 'under siege' The platinum industry was under siege, its future in the hands of Russia, with its ability to sell big quantities of platinum and palladium from its stocks, said Mr Michael McMahon, chairman of Impala Platinum, the South African group.

Companies in this issue: Aerospaciale 4, Alcoa 4, Alkerm 13, American Re 1, 10, Merita 12, Autoliv 13, BICC 11, Bang & Olufsen 13, Central Group 4, Cookson 10, Daimler Benz 4, Eastern 14, Games Workshop 14, Gebe 14, General Mills 12, Générale Maritime 13, Globe Telecom 11, Glynwed 14, Granada 14, HSBC 1, Hanson 14, Henderson Land 5, Hoechst 10, 11, Hyundai Motors 12, John Fairfax 12, Kia Motors 12, Korean Air 12, 21

Market Statistics: Annual reports issue 22.23, FT-SE Actuaries Index 24, Benchmark Govt bonds 18, Foreign exchange 17, Bond futures and options 18, London share service 22.23, Commodity prices 18, Managed funds service 19-21, Dividends announced, UK 14, Money markets 17, EMS currency rates 17, New Intl bond issues 18, Eurobond prices 16, Bourmes 20.27, Fixed Interest Index 18, Recent Issues, UK 17, FTSE-4 World Index 23, Short-term int rates 17, FT Gold Index Index 24, US Interest rates 18, FDI/NA Intl bond avc 18, World Stock Markets 25

Chief price changes yesterday: MANUFACTURING (000) Nissan 1855 + 80, Volkswagen 1855 + 80, Renault 1855 + 80, Peugeot 1855 + 80, Citroen 1855 + 80, etc.

Japanese bank fined \$1m in US

By Gerard Baker in Tokyo A US subsidiary of the Long-Term Credit Bank of Japan has been fined \$1m by US authorities and ordered to improve its internal management. The New York State Banking Department issued the orders against LTCB Trust after the discovery of irregularities in the official reporting of the company's transactions.

LTCB unit told to improve management after irregularities in its reporting of transactions

York and was subsequently expelled from the US and fined \$40m. Though the LTCB case is much less serious than the Daiwa affair, not least because LTCB's local management, unlike Daiwa's, immediately reported the problem, it again reveals management shortcomings at the overseas branches and subsidiaries of Japanese banks.

Cellular fraud hits Globe Telecom

By Edward Luce in Manila Globe Telecom, the Philippines' third largest operator, yesterday said it had abandoned hopes of breaking even this year for the first time in the wake of heavy losses from widespread fraud on its mobile phone network.

German chemicals group expects strong growth for year

By Wolfgang Münchshaus in Frankfurt Hoechst, the German chemical and pharmaceutical company, is expecting annual operating profits to increase by nearly a third following the start of a recovery from a steep downturn in domestic demand.

Head of Volvo US truck unit replaced

By Greg McIvor in Stockholm and Haig Simonian in London Volvo, the Swedish vehicles group, said yesterday it was replacing the head and chief financial officer of its US truck subsidiary in response to plunging sales in North America.

German chemicals group expects strong growth for year Hoechst profits surge midway

By Wolfgang Münchshaus in Frankfurt Hoechst, the German chemical and pharmaceutical company, is expecting annual operating profits to increase by nearly a third following the start of a recovery from a steep downturn in domestic demand.



Jürgen Dormann: yesterday's results are seen as confirming the effectiveness of his strategy

The company yesterday reported a 103 per cent increase in pre-tax profits from DM2.13bn to DM4.23bn (\$2.9bn) for the first six months of the year, a figure inflated by disposals. Stripped of the financial effects, Hoechst said operating profits increased by an underlying 18 per cent.

Jürgen Dormann, chairman. They are also partly a reflection of a successful integration of Marion Merrell Dow, the US pharmaceutical group which Hoechst bought last year.

DM26.1bn. The European proportion of total sales fell from 57 per cent to 50 per cent, while American sales went up proportionally.

The same level. This is a case of management adding value. Mr Schmieler confirmed that Hoechst was planning to retain a majority stake in HMR, which is expected to be floated in the autumn of next year.

BICC slips into the red after shake-up costs

By Patrick Harverson in London BICC, the UK cables and construction group, slipped into the red in the first half following restructuring of its German operations, property revaluations and write-downs.



Alan Jones: group's long-term recovery on course

However, Mr Schmieler said the German business had picked up in the second quarter, and the recovery had held up in July. The strong result confirms the effectiveness of the strategy adopted by Mr

light of the half - profits climbed from £27m to £51m - Mr Jones said most of the improvement stemmed from rationalisation measures taken last year.

CLASS OF ITS OWN. Unit now, choosing a portable PC could mean compromising on power and flexibility. Emonex NB-500M notebook charges all that. Even the basic specification of the NB-500M offers PC Pentium power and a colour screen. And its modular design means that despite its small size and light weight, users benefit from a wide range of alternative configurations, including an optional CD-ROM drive. This Notebook has been designed to beat the best in the world, matching the versatility and processing speed of much bigger and heavier machines. Its Pentium processing power, multimedia capabilities, upgradeability and performance certainly puts the NB-500M in a class of its own.

ch market

Tartar S

COMPANIES AND FINANCE: ASIA-PACIFIC/THE AMERICAS

Higher costs blamed for decline at Fairfax

By Nikki Tait in Sydney

John Fairfax, the Australian newspaper publisher which is the focus of bid speculation, yesterday announced a near-30 per cent fall in profits after tax but before abnormals, to A\$101.5m (US\$79m) for the year to end-June. In the previous year it made A\$144.6m.

ment has been in flux over the past year, with Mr Stephen Mulholland stepping down as chief executive in September; his successor, Mr Bob Mansfield, announcing his departure in April; and other senior executives leaving in the interim.

Fairfax said that newspaper prices had risen by an average 25 per cent and coated paper prices by 40 per cent over the year. This added A\$35m to the group's paper bill, and contributed to a 14.8 per cent rise in total operating costs, to A\$768m.

Hon of the Australian Geographic business. Fairfax said that circulation of its main publications improved, but that most saw lower advertising volumes.

Fairfax's largest shareholder is Mr Conrad Black, the Canadian media proprietor. He has a near-25 per cent interest but cannot raise this further under Australia's foreign ownership rules.



Conrad Black: current rules prevent him lifting his stake

NEWS DIGEST

Labour disputes hit Korean car groups

Labour disputes in June caused South Korea's two biggest carmakers to report a decline in earnings for the first half of 1996. Hyundai Motor, the country's largest car company, registered a 42 per cent fall in net profits to Won51.6bn (€68.2m), although sales grew by 10 per cent to Won5,556bn.

Posco posts 16% advance

South Korea's Pohang Iron and Steel (Posco), the world's second-biggest steel maker, reported a 16 per cent rise in net profits to Won385bn (€471m) for the first half of 1996, while sales increased by 3 per cent to Won4,174bn.

Molson edges ahead in term

Molson, the Canadian brewing, hardware retailing and entertainment group, posted slightly higher earnings for the first quarter ended June 30, though its share of the Canadian beer market shrank. Net profit was C\$20.8m (US\$15.1m), or 36 cents a share, up from C\$19.9m, or 34 cents, a year earlier, on revenues little changed at C\$400m.

Korean Air in loss at midway

Korean Air, South Korea's largest airline, reported a loss of Won254bn (€31m) for the first half of 1996 against a net profit of Won77.5bn a year ago, because of higher depreciation charges and foreign exchange losses.

Mayne to invest in healthcare

Mayne Nickless, the Melbourne-based transport, security and healthcare group, said yesterday that it planned to direct the bulk of the spare funds resulting from the forthcoming sale of its stake in Optus Communications, the Australian telecommunications group, into its healthcare division.

Ashanti amends merger terms

Ashanti Goldfields of Ghana, the mining company in which Lomco of the UK holds a 37 per cent stake, has amended the terms of its US\$200m bid for Australia's Golden Shamrock Mines. The company will now offer one Ashanti share for every A\$18.27 of GSM's convertible unsecured debentures, compared with one share for every A\$20.80 of GSM debentures previously.

Sydney casino group in black

The Sydney Harbour Casino group, in which Showboat of the US has a 26.3 per cent stake, yesterday announced an after-tax profit of A\$1m (US\$79,000) in the half-year to end-June, despite achieving revenues of A\$182.6m. Before abnormals, there was a profit of A\$24.8m. The casino group is operating out of temporary premises, while it builds a US\$650m permanent facility.

General Mills acquires Ralcorp cereals business

By Richard Tomkins in New York

The breakfast cereal war in the US intensified yesterday when Ralcorp, the biggest US maker of private label cereals, announced the sale of its branded cereal business to the rival General Mills group for about \$345m.

The price war was triggered in April when Post, a division of Philip Morris, announced it was cutting prices of its Post and Nabisco brands by an average of 20 per cent.

Thai power deal nears completion

By Ted Bardacke in Bangkok

A power purchase agreement between the Electricity Generating Authority of Thailand (Egat) and a private consortium consisting of Thai Oil, Unocal and Westinghouse should be ready for signature within the next few weeks, a senior Thai energy official said.

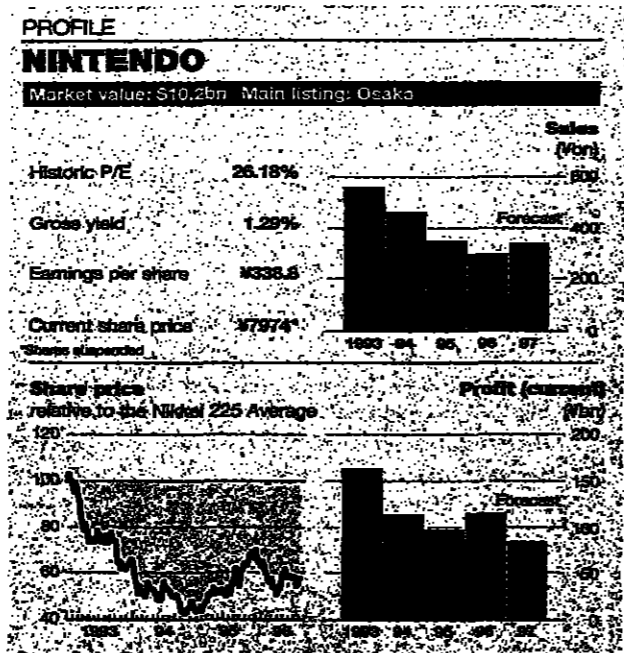
cessionaires operating in the Gulf of Thailand and to source liquefied natural gas from Oman should resolve the matter, he said.

Nintendo moves to calm market fears over profit

By Michiyo Nakamoto in Tokyo

Nintendo yesterday moved to calm stock market fears that its business performance has deteriorated sharply due to the poor performance of its latest video games machine.

Kyoto, which is closed for the week-long obon summer holiday, came in response to heavy selling of the company's shares on both the Tokyo and Osaka stock exchanges.



Nintendo disputed the newspaper article's claim that inventories were building up at retailers, and emphasised that it was on track to ship 5m units in Japan and overseas in the year to the end of March.

The Republic of Argentina NLG 250,000,000 7.625% Fixed Rate Notes due 1999. Issued under the U.S. \$8,000,000,000 Euro Medium-Term Note Programme. Includes logos for ABN AMRO Hoare Govett, ING Barings, Deutsche Morgan Grenfell, SBC Warburg, Bank Brussel Lambert N.V., Caisse des Dépôts et Consignations, CS First Boston, Dresdner Bank - Kleinwort Benson, van der Hoop Effektenbank N.V., Kredietbank International Group, Merrill Lynch International, Paribas Capital Markets, UBS Limited, Rabobank Nederland, Bank Labouchere N.V., Commerzbank Aktiengesellschaft, DG BANK, Fortis Investments, HSBC Markets, MeesPierson N.V., NIBStrating Securities N.V., Salomon Brothers International Limited.

HK airport services deal

By John Ridding in Hong Kong

The main aviation groups of China and Taiwan are to co-operate in a ground services operation at Hong Kong's new airport alongside an arm of Jardine Matheson, one of the territory's founding trading groups, according to an announcement made yesterday.

venture between Jardine Pacific and CNAC, the commercial arm of China's aviation regulator.

European Investment Bank NLG 500,000,000 Floating Rate Bonds 1992 due May 15, 2002. Includes Rabobank International logo and date August 13, 1996.

Investment advertisement for Autoliv, Tadiran, and other companies. Includes text like 'Autoliv 20% of ai', 'Tadiran ahead at \$38m in first half', and 'U.S. \$78,000,000'.

سكنا من الاصل

COMPANIES AND FINANCE: EUROPE

Investment side drives growth at SBC

By William Hall in Zurich

Swiss Bank Corporation yesterday reported a 34 per cent rise in after-tax profits for the first six months of the year...

tion were showing through "better and quicker than expected". Mr Sylvan Zulle of Bank Sal. Oppenheim (Schweiz) said it was an important factor behind the improvement in SBC's return on equity...

SFR2.2bn are now higher than those of the bigger Union Bank of Switzerland. SBC says that after adjusting for Warburg, its personnel costs rose only 7 per cent over the period...

commission income rising 58 per cent, to SFR2.1bn, or nearly twice as fast as at UBS. By contrast, SBC's revenues from trading and risk management rose 27 per cent to SFR1.5bn...

Diabetes unit leads rise at Novo Nordisk

By Andrew Arnold in Copenhagen

A strong performance in its core diabetes division helped Novo Nordisk, the Danish pharmaceutical company, lift interim pre-tax profit 19 per cent...

Turnover for the first six months rose 2 per cent, to DKR7.05bn from DKR6.93bn in the same period last year. Sales from continuing businesses, following the disposal of three subsidiaries, climbed 8 per cent...

In the US, sales of Penfill refills for the NovoPen insulin injector rose 10 per cent, measured in dollars. The company says the market is unaffected by its lawsuit against US rival Eli Lilly...

Merita said the decline caused a minor fall in interest income. Its "broad margin", its nearest equivalent to a net interest margin, slipped from 2.8 per cent to 2.5 per cent.

Autoliv looks to capture 20% of airbag market

Autoliv, the Swedish automotive accessories group, says it expects to increase its share of the world's car airbag market to nearly 30 per cent by 2000...

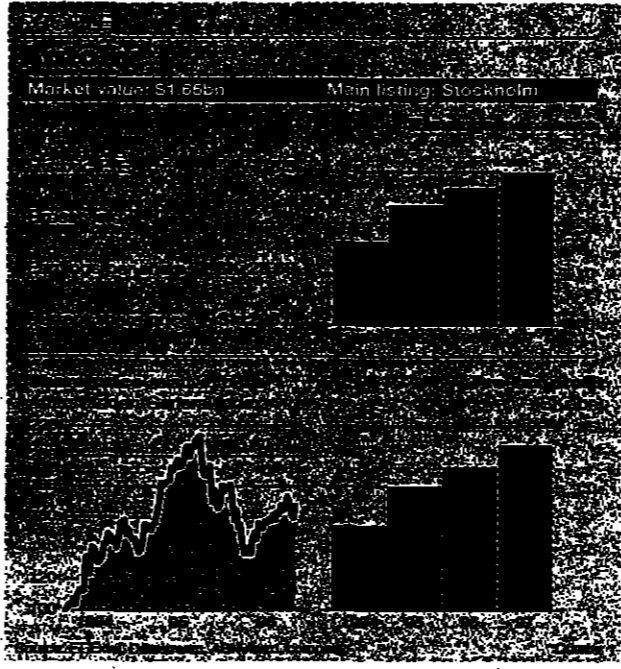
The forecast came as the group announced a pre-tax profit rise of 17 per cent, to SKR163m (\$83m), in the first half to end-June, on sales up 5 per cent at SKR6.08bn.

earlier to SKR2.9bn, mainly because of the increased number of installations of airbags by established customers.

The group produced less than 5m airbags last year, and the increase to 20m by 2000 means a growth rate each year of nearly 40 per cent.

the company and continued savings, Autoliv said. Currency fluctuations had a negative effect of 10 per cent on sales, offset by a 12 per cent increase in volume.

Operating profit for the first half was SKR585m, a rise of 20 per cent on the comparable period. Shares for the group rose SKR7 to close at SKR208.



Tadiran ahead at \$38m in first half

By Avi Machlis and Julian Ozanne in Jerusalem

Tadiran, Israel's leading electronics company, yesterday reported record first-half results, with surging net income and a 12 per cent increase in sales.

The advance reflects a \$13.9m one-time charge levied in the first quarter of 1996. Sales for the six months rose from \$519.4m to \$580.8m.

Net income for the second quarter rose from \$12m last year to \$33m in 1996, including capital gains of \$33.7m from the initial public offering of Tadiran Telecommunications, its telecom subsidiary, on Wall Street earlier this year.

The successful public offering of Tadiran Telecommunications (in March) is an important milestone in our plan to become a specialised strategic group consisting of high-quality subsidiaries," he said.

In early trading on Wall Street, Tadiran was up 3% to \$24, a 3.5 per cent rise on Tuesday's close.

Property disposals bolster Merita

By Greg McIvor in Stockholm

Merita, the dominant banking group in Finland, said profits rose 68 per cent in the first half of 1996, although it attributed a substantial part of the increase to non-recurring items such as property disposals.

The bank - formed last year by the merger of Kansallis-Osake-Pankki and Unitas - reported a rise in pre-tax profits from FIM265m to FIM881m (\$154m), higher than the FIM491m earned in the whole of 1995.

However, the results were not fully comparable, since the 1995 report excluded first-quarter profits from Kansallis. Pro-forma figures were not produced.

Most of the pre-tax gain resulted from disposals of property assets repossessed during the banking crisis of the early 1990s. The profits also included FIM230m in write-backs of previous provisions against problem loans. Underlying profits were FIM478m, after stripping out FIM208m of asset sales.

chief executive, said group operations developed more favourably than expected in the first half, buoyed by strong activity on equities markets which lifted income from investment business.

Mr Paul Vanner, banking analyst at Paribas Capital Markets in London, said Merita's operating performance was encouraging but its cost-to-income ratio of 85 per cent was too high.

Old shipping line stirs new wave of interest

CGM sell-off has attracted nine contenders

Compagnie Générale Maritime may not be among the French companies most closely followed by investors and analysts, but nine potential buyers have come forward to express serious interest in the forthcoming privatisation of the state-owned shipping group.

The nine approved by the government have until October 3 to study the financial details of CGM and submit formal bids, clearing the way for a sell-off before the end of the year.

CGM has 2,000 employees and operates 31 ships valued at FF1.5bn (\$296.5m) on a variety of intercontinental and passenger routes around the world, many connecting France to its former colonial territories. The group does not publish its full 1995 accounts until next week, and a lot of information on it remains opaque.

average. Mr Philippe Pontet, the chairman appointed last year, recently forecast it would return to break-even during 1996.

The procedure to be used for the privatisation of CGM - a trade sale to a single buyer or group of buyers rather than a stock market flotation - has become increasingly common for small or sensitive state-owned groups in recent months.

Examples include Marseillaise de Credit and CIC bank, now under way; Thomson, the defence contractor, which was launched earlier this month; and Société Française de Production, the audio-visual group.

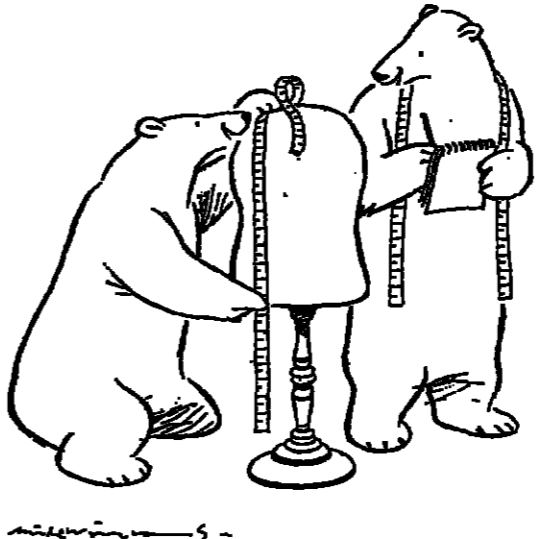
What is more striking about the list of possible buyers for CGM - and which could raise awkward political questions - is that a number of them are foreign. They include Wilhamsen Lines of Norway, Hamburg-based Deutsche Afrika Linien, and OT Africa Line of the UK.

ing a bid is instructive: one of its backers has expressed fears that as long as CGM was nationalised, service was assured; with it in the hands of a private operator other than itself, that could change and the local economy could be threatened.

The French state's use of CGM as a tool for regional economic development, as much as a commercial group, could prove one of the biggest challenges for buyers and explains why one of the conditions for tender is that acquirers hold on to their investment for at least two years and specify plans for its routes.

Last month, the group conceded it had been associated with heavy economic and high costs, but stressed that this image was no longer true. Others are more sceptical, referring for example to its 80 per cent-owned SNCM subsidiary which links France to Corsica, and which charges high, inflexible prices on a near-monopoly route and recently built a hugely expensive ferry which operates at nowhere near full capacity.

Significantly, SNCM - perhaps the most politically charged of all the group's activities - will not be sold off but will remain in the firm hands of the state.



Introducing a customized product for independent money managers. Andrew Jack

NEWS DIGEST

Akbank advances 17% in first half

Turkey's overheating economy helped drive profits ahead at Akbank, the country's biggest private-sector bank, which reported first-half net income up 17 per cent in dollar terms to \$178.4m.

Many Turkish banks and companies now make most of their profits by lending to the government at very high interest rates. Ms Aslihan Sen, analyst at Istanbul's Global Securities, said: "Akbank has a larger ratio of [treasury] securities to assets than other large Turkish banks, so my forecast for full-year net income is about \$365m."

High interest rates reflect rising political uncertainty and a deteriorating economic outlook. Turkey now has an Islamist-led government whose populist policies are fuelling inflation, interest rates and treasury debt.

Bang & Olufsen lifts dividend

Bang & Olufsen, the Danish audio and TV manufacturer, reported pre-tax profits of DKR272m (\$47.6m) in the year to May 31, up 8 per cent on the previous 12 months.

Omnitel holds loss to L260bn

Omnitel Pronto Italia, Italy's second mobile phone group, has unveiled an after-tax net loss of L260bn (\$17.5m) for the first half of 1996, seven months after launching its GSM mobile phone service.

Omnitel said it had captured almost 50 per cent of the Italian GSM market, and extended its network coverage to 82 per cent of Italian territory, or the equivalent of 78 per cent of the population. It said the positive trend in operating margins had enabled it to limit its net loss, with more than half - L164bn - attributable to depreciation and interest expenses.

In the first six months of 1996, Omnitel invested L420bn of the L700bn planned for the full year. By the end of the half-year its total number of employees reached 2,300. On July 5, Omnitel's share capital was increased to L650bn.

In today's troubled environment, more and more money managers are discovering that a good way to streamline and enhance their clients' assets is to set up their own private label fund.

Bank Julius Baer provides a unique service to help you create such a fund in Grand Cayman, a stable and reliable offshore center. We can set up a custom-tailored fund with a very short lead time and reasonable legal, start-up and running costs.

This is a tailor-made service offered by a leading Swiss private bank that specializes in structuring creative packages for long-term, after-tax performance.

At Bank Julius Baer, wealth management is our strength. Personalized service is our commitment. Just call Zurich: Roland Eberhard (+41-1) 228 60 62. New York: Robert Discolo (+1-212) 297 39 49. Grand Cayman: Peter W.C. Goulden (+1-809) 949 71 12

NOTICE TO THE BONDHOLDERS OF U.S. \$75,000,000 8 1/2 per cent. Guaranteed Bonds due 2001. Issued by BTN Finance (Carapao) N.V. (formerly NBL Finance (Carapao) N.V.)

NATIONAL BANK OF CANADA USD 200,000,000 Floating Rate Notes due 2001. In accordance with the Terms and Conditions of the Notes, notice is hereby given that for the Interest Period from August 15, 1996 to November 15, 1996 the Notes will carry an Interest Rate of 5.60 per cent annum.

JB Co B BANK JULIUS BAER The Fine Art of Swiss Private Banking. Group Presence: Zurich Geneva London New York Frankfurt Lugano Monaco Guernsey Montreal Grand Cayman Palm Beach Los Angeles San Francisco Mexico Hong Kong

صحة من الاجل

TECHNOLOGY

Lustre of gold particles

In the constant quest to build smaller and faster electronic devices, a new generation of semiconductor films, consisting of tiny gold particles, has been developed.

The particles are a few nanometres (millionths of a millimetre) across and are stabilised by a thin coating of thiol, a small sulphur-containing molecule. This coating not only prevents the nanoparticles from coalescing, but induces the particles to order themselves into well-defined structures - an essential requirement for ensuring uniform electrical properties in the bulk films.

Initial studies, carried out at Liverpool University, have shown that both the electrical and optical properties of these ordered films are governed by the size of the nanoparticles and the distance between them, both of which can be adjusted by modifying the thiol coating.

In separate articles published in Nature today, two US research teams, based at Northwestern University, Illinois, and the University of California, Berkeley, describe taking this a step further using molecules of DNA capped with thiol to control the spacing between the gold particles.

At room temperature, the DNA-coated particles assemble themselves into a close-packed structure and the films absorb light in the red region of the visible spectrum. At higher temperatures, the bonding between the gold particles breaks up and the well-defined structure is no longer stable. The colour of the film also changes.

Two advantages are that these materials can be produced by simple colloidal chemistry techniques on a large scale and that the properties of the films do not appear to degrade with time. As these semiconducting films are half way between simple synthetic structures and biological materials, potential applications are endless.

Carol Jones

When customers of Hertz return their rented cars to Heathrow and 12 other locations in Europe, they are met by Hertz representatives wielding hand-held radio data terminals.

Details of the vehicle registration number, rental agreement, mileage and fuel level are keyed in, and sent via base stations and computer links to the Hertz mainframe in Oklahoma City. Within 60 seconds the customer receives an itemised receipt from a printer attached to the terminal.

This time-saving innovation is an example of an emerging trend in wireless radio frequency data communications (WDC) systems. An increasingly common feature of warehouses and distribution centres for food, pharmaceutical and other industries, they are beginning to make inroads in manufacturing, ports and container-handling terminals and other applications.

The trend is being driven by the increasing sophistication of WDC equipment powered by 32-bit microprocessors, along with reduced costs, greater reliability and enhanced "connectivity" of the software that links radio frequency (RF) equipment with other computer systems.

Companies which have used WDC systems are realising the advantages of using them further "up" or "down" the production chain from their warehouses, says Patrick Bays, vice-president for international operations at Ontario-based Teklogix, one of the pioneers of the technology.

The Mississauga-based company supplied Hertz with its system and has been one of the main beneficiaries and instigators of this trend, which is partly motivated by the increasing maturity of the warehouse WDC market, at least in North America.

In the 1980s, says Bays, radio frequency data collection was a tool to improve stock control in a warehouse. Big companies were the first to realise that they could obtain efficiencies and quick pay-backs, but as the cost of implementing an RF system came down, along with the price of stock control software, so a broader range of companies became customers.

Nowadays a typical order for an RF system would be worth about \$100,000 (\$64,000) and would include several hand-held terminals and, increasingly, terminals that can be mounted on lift trucks. These would be linked by radio to base stations, whose number would depend on the size of the building and the frequency

Andrew Baxter on a fruitful linking of radio and computers

Wonders of wireless



Wireless data communications in use at Glaxo Wellcome in Toronto

band used, and network controllers linked to host computers.

Companies such as Campbell Soup and Glaxo Wellcome, for example, are using Teklogix equipment in their Canadian distribution centres. Terminals mounted on lift trucks pick up information from scanners of the bar codes on pallets or boxes of goods, send it to the warehouse computer system and receive instructions. Users obtain big improvements in the accuracy of stock control information.

It is not surprising that the technology is also attractive outside the warehouse. As John Anderson, computer services manager at Tilbury Container Services, points out, a container terminal is "just like a gigantic outside warehouse".

Container handling at the UK terminal, which is majority owned by P&O, has until now been manually-based, he says. Clerks in a control room communicate by radio with drivers of the vast "straddle carriers" that shift containers around, or drivers are given a list of tasks. "The more you use voice, the more prone to error and slower the system will be," says Anderson.

Next month the terminal will go live in the first phase of a project in which about £100,000 of Teklogix equipment will be installed, including terminals in all 14 straddle carriers. Anderson sees big benefits for productivity in giving "the people who do the work" - the drivers - the ability

to access and update the main computer system.

In the manufacturing sector, WDC systems can be used to access and update the information that accompanies raw materials and products as they move along the supply chain and through a factory, says Teklogix. Increased PC processing power allows more data to be processed and exchanged in a given time, so that the sophistication of the applications can be increased.

One important new application in manufacturing is improving quality control. Whirlpool, the US white goods maker, recently began using it to track products as they come off the production line, to ensure they are put in the right packaging. In the UK, another US multinational, Caterpillar, has installed a Teklogix system to manage the flow of materials through its construction equipment assembly plant at Desford, near Leicester. In general, however, manufacturing sites in the UK have been relatively slow to adopt such equipment.

This is due partly to the higher initial cost of a wireless system compared with a hard-wired version. But manufacturers are realising that a wireless system gives them more flexibility, particularly when they want to change the layout of production lines, says Mick Wright, customer services manager at Teklogix UK.

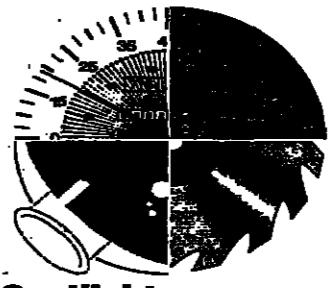
The Canadian parent company is planning its next enhancement of WDC technology. In March it acquired Tampa-based Badger, which makes "ruggedised" portable computers used by transportation, field service and public safety businesses.

Unlike the current Teklogix system, which operates as a local area network, the Badger computer is used in wide area networks. This would enable data to flow from one warehouse or factory to another, potentially enabling Teklogix to cover the whole supply chain.

Production of the computers will be shifted to Mississauga this autumn, and the range will be integrated with Teklogix's existing products by next year. "Our traditional customers' needs are expanding to require wide-area data communication," says Roderick Coutts, Teklogix chairman and chief executive.

Additionally, because the Badger machines use a Dos operating system, they are programmable - unlike Teklogix's current terminals which depend on applications software. In some applications, it could be important to have a programmable terminal, especially with the trend towards "distributed" or decentralised computing, says Bays.

Worth Watching - Vanessa Houlder



Spotlight on solar power

At last solar energy is becoming a cost-effective alternative to more traditional power sources, writes Carol Jones. A low-cost process, similar to that used for depositing anti-reflective coatings on glass, has been developed to manufacture large area photovoltaic devices based on copper indium diselenide (CIS).

Traditional commercial solar cells based on amorphous silicon convert only 4 per cent of sunlight into electricity. The new cells can at least double this and soon could reach values close to the 14 per cent efficiency obtained from much smaller cells manufactured under extremely clean laboratory conditions.

Within the next year, Global Solar Energy, an Arizona-based company formed by Tucson Electric Power and ITN Energy Systems, will have the capacity to manufacture 255,000 sq ft of CIS modules a year, enough to produce 1.5MW of electricity. ITN Energy Systems: US, tel 303 420 1141; fax 303 420 1551.

Fish caught on satellite

A satellite information system has been set up by the European Union in an attempt to stop illegal fishing, stabilise fish prices and cut down the wastage of unwanted fish.

The system will establish a satellite link between fishing vessels and ports, which will provide information about the fish available on the fishing vessels and the demand at the large ports.

The Infomar project, which has been set up under the EU's Esprit programme, involves Vega Group, a UK software company; Navis of France,

Harvino of Norway and Marstar of Iceland. The £3.1m project is expected to improve the efficiency of the European fish market, where there are large variations in price between one port and another.

Vega Group: tel UK (0)1707 391999; fax (0)1707 393909.

Cutting down on internal scarring

Many thousands of patients who have undergone abdominal surgery suffer from internal scarring. The scar tissue - or adhesions - can cause pain, infertility and intestinal blockages.

Genzyme Therapeutics, the US biotechnology company, has designed a protective film which reduces the risk of adhesions because it keeps tissues apart during surgery.

Septrafilm, which is made from two naturally occurring polysaccharides, turns into a gel inside the body. It stays in place for seven days - the period when adhesions are likely to develop - before breaking down and being cleared through the kidneys.

Genzyme Therapeutics: UK, tel (0)1440 703522; fax (0)1440 714392.

Audio retrieval makes itself heard

Unlike text, there is no easy way to store and retrieve recordings of the spoken word. Archives of radio, television, audio and video are virtually useless unless the items have been indexed, or translated into text.

Olivetti Research and Cambridge University have tackled this problem with the development of the prototype of an audio retrieval system.

Voice recognition software is used to compute a "lattice" of sub-words for each message or programme. To find and play back the item, the user types in search words, which are scanned against the sub-words, generating a display that ranks the recordings of interest.

The project was funded by the Department of Trade and Industry and the Engineering and Physical Sciences Research Council.

Olivetti Research Laboratory: UK, tel (0)1223 343000; fax (0)1223 313542.



The people who insure the plant also insure the site.

From the plant that helps lay the foundations to the buildings themselves, there is a company who can insure them both.

UAP Provincial. As part of Europe's second largest insurance group, we have the strength to handle a full range of risks, from the smallest to the biggest. And you'll be dealing with experts who specialise in their particular field. Quite simply,

UAP Provincial is an insurance company in which you can have complete confidence. Confidence that you can build on.



UAP PROVINCIAL

Working together to create new horizons

INTERNATIONAL CAPITAL MARKETS

Step-up coupon slows Mexico DM deal VSNL may revive plan for record Indian GDR

By Susanna Voyse and Antonia Sharpe
Mexico's move to tap the D-Mark market after last month's successful \$6bn floating-rate note issue...

cent of sales have been to German investors and 40 per cent internationally.
Mexico needs the money to help repay a \$1.5bn government bond...

New international bond issues

Table listing bond issues with columns: Amount, Coupon, Price, Maturity, Fees, Spread, Book-number. Includes entries for World Bank, Toyota Motor Credit Corp, etc.

The largest Indian GDR offering to date was a \$300m offering in 1994 by Reliance Industries, the petrochemicals to textiles group.

The move would be the third attempt by the company to make a GDR issue after first postponing a \$1bn offering in 1994.

Brokers said the Indian government, which owns 82 per cent of VSNL, may attempt to launch its issue ahead of the \$10bn equity offering by Deutsche Telekom, expected in October or November.

However, he said the pricing of the issue would have to be "right". The first issue was postponed after an "unrealistic" pricing by the government.

INTERNATIONAL BONDS

price of 288 basis points over comparable German government bonds, after which they are puttable at par. For the last three years the coupon steps up to 10% per cent.

The decision to tap the German market reflects demand for higher-yielding paper among German retail investors. On Tuesday, Turkey's DM500m offering...

deal from the World Bank. Demand was such that some banks in the syndicate were believed to be nursing short positions by the end of the day.

Another rumoured 10-year dollar transaction materialised when Federal Home Loans Mortgage Corporation (Freddie Mac), the US home loans agency, raised \$200m through a reopening of May's \$300m deal due 2006.

rather than launch a new deal. The new bonds were priced to yield 23% basis points over Treasuries.

Currency weakness hits German bund prices

By Samar Iskandar in London and Lisa Branson in New York
European bond markets traded quietly yesterday, in anticipation of today's closure of several markets for the Assumption Day holiday.

form bonds, their 10-year yield spread widened by 5 basis points to 170 points. The September long gilt future on Liffe lost 1/8 to close at 107 3/8.

notional contract settled at 123.54, up 0.12, while the September Fibor future gained 0.14 at 95.80.

performing bonds and most other European markets. Liffe's September BTP future closed at 116.34, up 0.51, while in the cash market the 10-year yield spread of BTPs over bunds tightened by 6 basis points to 320 points.

two-year note, which lost 1/8 on Tuesday, was 1/8 stronger at 100 1/8, yielding 5.940 per cent, and the September 30-year bond future was 1/8 higher at 111 1/8.

South Africa set to name managers for DM offering

By John Duda
The South African government is set to name lead managers for the planned launch of a D-Mark denominated bond next month.

Mr Jos Gerson, chief economist at brokers Smith Borkum Hare in Cape Town, attributed the deterioration to technical factors linked to the forthcoming issue of 7.35 per cent in June.

The government, which is also keen to establish benchmark issues for its debt in the US domestic market, is said to be talking to US banks about the possibility of a Yankee issue of about \$250m. It is expected that this deal will also be launched later this year.

WORLD BOND PRICES

Table with columns: Country, Coupon, Price, Day's change, Yield, Week ago, Month ago. Includes Australia, Belgium, Canada, Denmark, France, Germany, Ireland, Italy, Japan, Netherlands, Portugal, Spain, Sweden, UK Gilts, US Treasury, etc.

Table with columns: Country, Coupon, Price, Day's change, Yield, Week ago, Month ago. Includes Austria, Belgium, Canada, Denmark, France, Germany, Ireland, Italy, Japan, Netherlands, Portugal, Spain, Sweden, UK Gilts, US Treasury, etc.

BUND FUTURES AND OPTIONS

Table with columns: Price, Call, Put, Dec, Sep, Oct. Includes sections for ITALY, SPAIN, JAPAN, US.

FT-Actuaries Fixed Interest Indices

Table with columns: Index, Price Index, Yield, etc. Includes sections for FT Actuarial, FT Fixed Interest, etc.

FT Fixed Interest Indices

Table with columns: Index, Price Index, Yield, etc. Includes sections for FT Actuarial, FT Fixed Interest, etc.

FT/ISMA International Bond Service

Table with columns: Issued, Bid, Offer, Ctg, Yield. Lists various international bonds.

Gilt Edged Activity Indices

Table with columns: Index, Price Index, Yield, etc. Includes sections for Gilt Edged Activity, etc.

Other Fixed Interest

Table with columns: Index, Price Index, Yield, etc. Includes sections for Other Fixed Interest, etc.

US Interest Rates

Table with columns: Rate, Price, etc. Includes sections for US Interest Rates, etc.

Bond Futures and Options

Table with columns: Price, Call, Put, Dec, Sep, Oct. Includes sections for Bond Futures, etc.

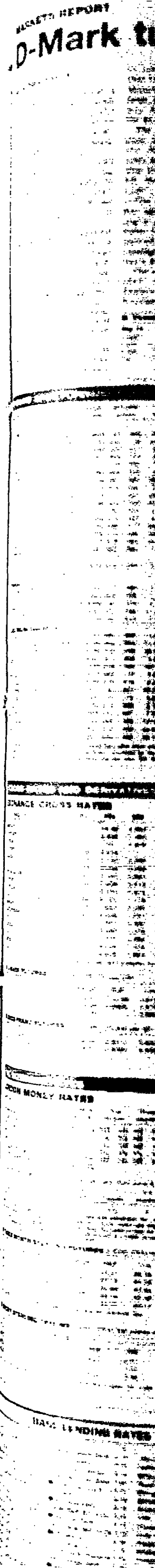
Germany

Table with columns: Price, Call, Put, Dec, Sep, Oct. Includes sections for Germany, etc.

UK Gilts Prices

Table with columns: Price, Call, Put, Dec, Sep, Oct. Includes sections for UK Gilts, etc.

Price/100, 100 = 100% of face value. Prices are in pounds per £100 nominal of stock.



CURRENCIES AND MONEY

MARKETS REPORT

D-Mark tumble brings franc relief

By Richard Adams

The D-Mark fell against a range of currencies in trading yesterday, taking the pressure off the French franc, after comments by Mr Oskar Ising, the Bundesbank's chief economist.

In London, following news that German insurance giant Munich Reinsurance had been given the go-ahead to buy American Reinsurance for \$3.3bn.

Bundesbank meeting, encouraged the squaring of speculative and short-term positions, analysts said.

The South Korean won suffered a further steep decline against the dollar, as expected central bank intervention again did not take place.

Mr Ising said in an interview published yesterday that the D-Mark's recent rise "does not fit into the current economic landscape".

owned bank Credit Lyonnais implicated Mr Jean-Claude Trichet, the head of the Bank of France.



Table with columns: Aug 14, Closing mid-point, Change on day, Bid/offer spread, High, Low, One month Rate, Three months Rate, One year Rate, Bank of England Index.

Table with columns: Aug 14, Closing mid-point, Change on day, Bid/offer spread, High, Low, One month Rate, Three months Rate, One year Rate, J.P. Morgan Index.

Table with columns: Aug 14, Closing mid-point, Change on day, Bid/offer spread, High, Low, One month Rate, Three months Rate, One year Rate, J.P. Morgan Index.

Table with columns: Aug 14, SF, DK, DM, IC, L, FI, NGR, Es, Pta, SKr, SFr, £, Cs, S, Y, Ecu.

Table with columns: Aug 14, Open, Last, Change, High, Low, Est. Vol, Open Int.

Table with columns: Aug 14, Open, Last, Change, High, Low, Est. Vol, Open Int.

Table with columns: Aug 14, Over-night, 7 days notice, One month, Three months, Six months, One year.

Table with columns: Aug 14, Open, Last, Change, High, Low, Est. Vol, Open Int.

Table with columns: Aug 14, Open, Last, Change, High, Low, Est. Vol, Open Int.

Table with columns: Bank Name, %.

Table with columns: Aug 14, Open, Last, Change, High, Low, Est. Vol, Open Int.

Table with columns: Aug 14, Open, Last, Change, High, Low, Est. Vol, Open Int.

WORLD INTEREST RATES

Table with columns: Country, Currency, Term, Rate.

EURO CURRENCY INTEREST RATES

Table with columns: Aug 14, Short term, 7 days notice, One month, Three months, Six months, One year.

OTHER CURRENCIES

Table with columns: Aug 14, Open, Last, Change, High, Low, Est. Vol, Open Int.

THREE MONTH EUROMARK FUTURES (LFFE) DM1m points of 100%

Table with columns: Sep, Dec, Jun, Open, Settle, Price, Change, High, Low, Est. Vol, Open Int.

THREE MONTH EUROLIBOR FUTURES (LFFE) L100m points of 100%

Table with columns: Sep, Dec, Jun, Open, Settle, Price, Change, High, Low, Est. Vol, Open Int.

THREE MONTH EURO SWISS FRANC FUTURES (LFFE) Sfr1m points of 100%

Table with columns: Sep, Dec, Jun, Open, Settle, Price, Change, High, Low, Est. Vol, Open Int.

THREE MONTH EURO YEN FUTURES (LFFE) Y100m points of 100%

Table with columns: Sep, Dec, Jun, Open, Settle, Price, Change, High, Low, Est. Vol, Open Int.

THREE MONTH EURO DOLLAR FUTURES (LFFE) \$1m points of 100%

Table with columns: Sep, Dec, Jun, Open, Settle, Price, Change, High, Low, Est. Vol, Open Int.

THREE MONTH EURO POUND FUTURES (LFFE) £1m points of 100%

Table with columns: Sep, Dec, Jun, Open, Settle, Price, Change, High, Low, Est. Vol, Open Int.

THREE MONTH EURO JAPANESE YEN FUTURES (LFFE) ¥100m points of 100%

Table with columns: Sep, Dec, Jun, Open, Settle, Price, Change, High, Low, Est. Vol, Open Int.

THREE MONTH EURO AUSTRALIAN DOLLAR FUTURES (LFFE) A\$1m points of 100%

Table with columns: Sep, Dec, Jun, Open, Settle, Price, Change, High, Low, Est. Vol, Open Int.

BERKELEY FUTURES LIMITED advertisement with contact information.

Market-Eye advertisement for futures and options.

WANT TO KNOW A SECRET? advertisement for L.D.S. Gann Seminar.

FUTURES - TAX FREE advertisement for GINDEX FINANCIAL.

OFFSHORE COMPANIES advertisement for B.M. BENTLEY & CO.

Petroleum Argus Oil Market Guides advertisement.

MURPACE advertisement for currency exchange.

To the shareholders of Great Nordic Holding Ltd. advertisement.

Market-Eye advertisement for futures and options.

WANT TO KNOW A SECRET? advertisement for L.D.S. Gann Seminar.

FUTURES - TAX FREE advertisement for GINDEX FINANCIAL.

OFFSHORE COMPANIES advertisement for B.M. BENTLEY & CO.

Petroleum Argus Oil Market Guides advertisement.

MURPACE advertisement for currency exchange.

Real-time quotes advertisement for Signal.

Notice to the Holders of U.S. \$1,500,000 United Mexican States advertisement.

BASE LENDING RATES

UK INTEREST RATES

THREE MONTH EURO DOLLAR FUTURES (LFFE) \$1m points of 100%

THREE MONTH EURO POUND FUTURES (LFFE) £1m points of 100%

COMMODITIES AND AGRICULTURE

World platinum industry 'under siege'

By Kenneth Gooding, Mining Correspondent

The platinum industry was under siege, its future in the hands of Russia and that country's ability to sell big quantities of platinum and palladium from its stocks...

MARKET BALANCE ('000 troy ounces) Table with columns for 1996, 1995, 1994, 1996, 1995, 1994. Rows include SUPPLY (PLATINUM, PALLADIUM) and DEMAND (Automobile, Jewellery, Industrial, Investment).

● The industry needed to reinforce and encourage the recent trend whereby makers of car anti-pollution catalysts were re-evaluating their 'headlong dash' into palladium.

● The industry needed to reinforce and encourage the recent trend whereby makers of car anti-pollution catalysts were re-evaluating their 'headlong dash' into palladium.

to palladium by the autocatalyst makers played into the hands of Russia, by far the biggest palladium producer.

Anglo American agrees to sell part of Zimbabwe nickel company stake

By Tony Hawkins in Harare

In a surprise move Anglo American Corporation has offered to sell a minority stake in its Zimbabwe nickel producer, Bindura Nickel Corporation.

privately-owned businesses. Zimbabwe's public sector debt currently exceeds its GDP and the country has budgeted for a 9.5 per cent deficit in the fiscal year to June 1997.

Earlier this year President Robert Mugabe attacked Anglo Zimbabwe for its failure to appoint a black chief executive to replace retiring managing director, Mr Roy Lander.

The World Bureau of Metal Statistics has joined in the debate about the future of the London Metal Exchange following the Summit on Metals and Mining.

COMMODITIES PRICES

BASE METALS

LONDON METAL EXCHANGE (Prices from Amalgamated Metal Trading)

Table with columns for Metal, Unit, Price, Change. Rows include ALUMINIUM, COPPER, LEAD, ZINC, NICKEL.

Precious Metals continued

GOLD COMEX (100 Troy oz; \$/troy oz)

Table with columns for Date, Price, Change, High, Low, Vol. Rows include Aug, Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug.

GRAINS AND OIL SEEDS

WHEAT LCE (\$ per tonne)

Table with columns for Date, Price, Change, High, Low, Vol. Rows include Aug, Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug.

SOFTS

COCOA LCE (\$/tonne)

Table with columns for Date, Price, Change, High, Low, Vol. Rows include Aug, Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug.

MEAT AND LIVESTOCK

LIVE CATTLE CME (40,000 lbs; cents/lb)

Table with columns for Date, Price, Change, High, Low, Vol. Rows include Aug, Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug.

ENERGY

CRUDE OIL NYMEX (1,000 barrels; \$/barrel)

Table with columns for Date, Price, Change, High, Low, Vol. Rows include Aug, Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug.

SOYABEANS

SOYABEAN OIL CBT (60,000 lbs; cents/lb)

Table with columns for Date, Price, Change, High, Low, Vol. Rows include Aug, Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug.

COFFEE

COFFEE LCE (\$/tonne)

Table with columns for Date, Price, Change, High, Low, Vol. Rows include Aug, Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug.

LONDON SPOT MARKETS

CRUDE OIL, FOS (per barrel)

Table with columns for Commodity, Price, Change, High, Low, Vol. Rows include Brent, WTI, OIL PRODUCTS.

SOYABEAN MEAL CBT (100,000 lbs; cents/lb)

Table with columns for Date, Price, Change, High, Low, Vol. Rows include Aug, Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug.

POTATOES LCE (\$/tonne)

Table with columns for Date, Price, Change, High, Low, Vol. Rows include Aug, Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug.

FRUIT (BUFFED) LCE (\$/100cwt)

Table with columns for Date, Price, Change, High, Low, Vol. Rows include Aug, Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug.

PRECIOUS METALS

LONDON BULLION MARKET (Prices supplied by N M Rothschild)

Table with columns for Commodity, Price, Change, High, Low, Vol. Rows include Gold, Silver, Platinum, Palladium.

UNLEADED GASOLINE NYMEX (42,000 US gal; \$/US gal)

Table with columns for Date, Price, Change, High, Low, Vol. Rows include Aug, Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug.

REUTERS (BUFFED) LCE (\$/100cwt)

Table with columns for Date, Price, Change, High, Low, Vol. Rows include Aug, Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug.

INDEXES

REUTERS (Basic 1984/81=100)

Table with columns for Index, Date, Price, Change, High, Low, Vol. Rows include FTSE 100, Nikkei, DAX.

LEAD

Table with columns for Date, Price, Change, High, Low, Vol. Rows include Aug, Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug.

CRUDE OIL NYMEX (1,000 barrels; \$/barrel)

Table with columns for Date, Price, Change, High, Low, Vol. Rows include Aug, Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug.

SOYABEAN MEAL CBT (100,000 lbs; cents/lb)

Table with columns for Date, Price, Change, High, Low, Vol. Rows include Aug, Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug.

POTATOES LCE (\$/tonne)

Table with columns for Date, Price, Change, High, Low, Vol. Rows include Aug, Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug.

COFFEE

Table with columns for Date, Price, Change, High, Low, Vol. Rows include Aug, Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug.

SOYABEANS

Table with columns for Date, Price, Change, High, Low, Vol. Rows include Aug, Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug.

COFFEE

Table with columns for Date, Price, Change, High, Low, Vol. Rows include Aug, Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug.

COFFEE

Table with columns for Date, Price, Change, High, Low, Vol. Rows include Aug, Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug.

FAO prepares for final push against rinderpest

The devastating cattle disease could soon go the way of smallpox, writes Michael Pickstock

Long before 'mad cow disease' reared its ugly head, Britain's cattle herds were ravaged by a far more devastating disease - more disastrous even than foot and mouth. This was rinderpest.

All this is at risk while rinderpest persists. In the 1880s, when the disease entered Africa, it swept from Somalia to the Cape killing 80 per cent of cattle and draught oxen and also buffalo and several other species of wildlife.

Veterinary science has deployed two major weapons against the disease with commendable success: a highly-effective live, heat-stable vaccine, which can survive days without refrigeration; and a system for rapid analysis of samples taken from animals to establish whether they carry immune antibodies as a result of successful vaccination.

Now faded from public and farming consciousness in western Europe, rinderpest (then called cattle plague) entered Britain in 1665 in a ship load of cattle from the Baltic. In a matter of months it left more carcasses and human misery in its wake than BSE is ever likely to do.

The relevance of rinderpest to western farmers, politicians and public is that while the disease persists even in the remotest areas, the rest of the world remains at risk from infection. As more open trading policies and more modern transport systems promote and enable rapid and long-distance movement of goods it becomes imperative to provide assurance that animals and animal products are free of disease.

The FAO has worked with national governments and through regional bodies such as the Organisation of African Unity to establish procedures, train veterinary workers, promote people's participation, provide vaccine and assist with ELISA testing.

Referring to the need for all national governments where rinderpest persists to give final eradication efforts full commitment and priority, one vet from Africa recently observed: "All that stands in the way of rinderpest going the way of human smallpox are politics and people".

Referring to the need for all national governments where rinderpest persists to give final eradication efforts full commitment and priority, one vet from Africa recently observed: "All that stands in the way of rinderpest going the way of human smallpox are politics and people".

Referring to the need for all national governments where rinderpest persists to give final eradication efforts full commitment and priority, one vet from Africa recently observed: "All that stands in the way of rinderpest going the way of human smallpox are politics and people".

JOTTER PAD

Table with columns for Commodity, Price, Change, High, Low, Vol. Rows include various metals and grains.

CROSSWORD

No.9,147 Set by ARMONIE

Crossword puzzle grid with numbers 1-21.

ACROSS

- 1 It takes trouble and courage to provide heating for the retired (3-5-5)
2 New exam contains one trap (8)
3 Edward accepted a period of abstinence. That's brilliant (8)
4 Sets aside rare mask for review (8)
5 Archer's to do a turn for some food (8,4)
6 After Friday, ermine goes crazy for a break (4,4)
7 Stress (identification is to be produced in unrefined event) (8)
8 Guess I'm into property! (8)
9 Claim supporter is in drink (6)
10 Install one in a sumptuous abode (5)
11 Divulge note on meat (6) (4,1)

DOWN

- 1 The concealment of physical punishment (6)
2 King is absorbed by subject of terrestrial boundary (6)
3 The response to a monarch seizing territory down under (6)

Solution 9,146

Table with crossword puzzle solutions: D I P L O M A T A S K A N T, A P P O S I T O P A R A T I, B E B E I N E R, F A B O T G O N F O R M E R, S O U R C E S I N F I N I T E, I N T I G H T S E E R S, P O I N T E R, R E A L, L A C A D E M I, A K I N G O F A R M E D, E A S I E T I M P L E M E N T.

سكنا من الامل

FT MANAGED FUNDS SERVICE

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (444 177) 678 4878 for more details.

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

Table listing various fund units and their prices under the Bermuda (SIB RECOGNISED) section.

BERMUDA (REGULATED)**

Table listing various fund units and their prices under the Bermuda (REGULATED)** section.

GUERNSEY (SIB RECOGNISED)

Table listing various fund units and their prices under the Guernsey (SIB RECOGNISED) section.

GUERNSEY (REGULATED)**

Table listing various fund units and their prices under the Guernsey (REGULATED)** section.

Table listing various fund units and their prices in the Offshore and Overseas section.

Table listing various fund units and their prices in the Offshore and Overseas section.

Table listing various fund units and their prices in the Offshore and Overseas section.

Table listing various fund units and their prices in the Offshore and Overseas section.

Table listing various fund units and their prices in the Offshore and Overseas section.

Table listing various fund units and their prices in the Offshore and Overseas section.

Table listing various fund units and their prices in the Offshore and Overseas section.

Table listing various fund units and their prices in the Offshore and Overseas section.

Table listing various fund units and their prices in the Offshore and Overseas section.

Table listing various fund units and their prices in the Offshore and Overseas section.

Table listing various fund units and their prices in the Offshore and Overseas section.

Table listing various fund units and their prices in the Offshore and Overseas section.

Table listing various fund units and their prices in the Offshore and Overseas section.

Table listing various fund units and their prices in the Offshore and Overseas section.

Table listing various fund units and their prices in the Offshore and Overseas section.

Table listing various fund units and their prices in the Offshore and Overseas section.

Table listing various fund units and their prices in the Offshore and Overseas section.

Table listing various fund units and their prices in the Offshore and Overseas section.

Table listing various fund units and their prices in the Offshore and Overseas section.

Table listing various fund units and their prices in the Offshore and Overseas section.

Table listing various fund units and their prices in the Offshore and Overseas section.

Table listing various fund units and their prices in the Offshore and Overseas section.

Table listing various fund units and their prices in the Offshore and Overseas section.

Table listing various fund units and their prices in the Offshore and Overseas section.

Table listing various fund units and their prices in the Offshore and Overseas section.

Table listing various fund units and their prices in the Offshore and Overseas section.

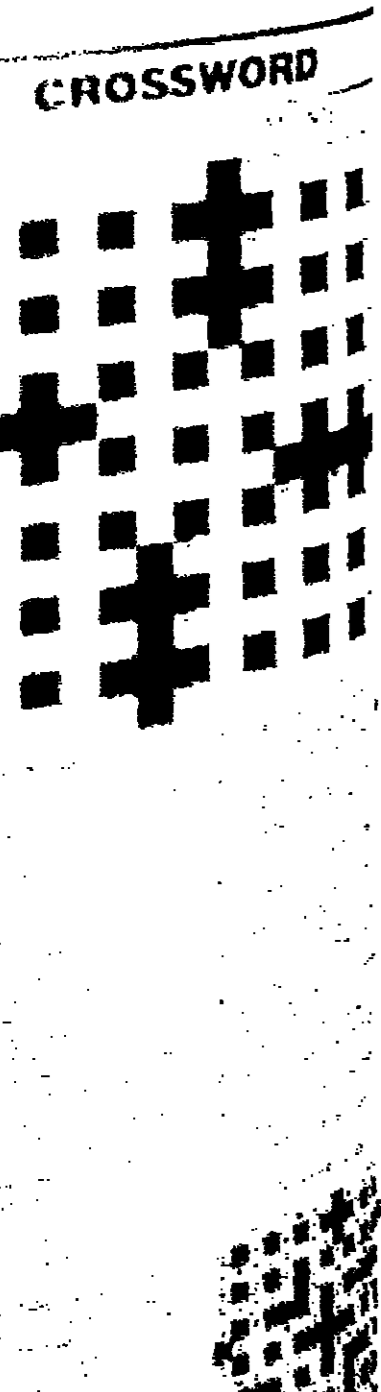
Table listing various fund units and their prices in the Offshore and Overseas section.

Table listing various fund units and their prices in the Offshore and Overseas section.

صندوق من الامل

SAVE YOUR POCKET MONEY. (CHILDREN GO FREE AT NOVOTEL)
Lots of hotels claim they welcome children. But at Novotel, kids under 16 really do stay free and enjoy a free breakfast when they share a room with two adults.

... for final ...
... rinderpest ...
... Michael Pickers ...



Offshore Funds and Insurances

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 177) 673 4376 for more details.

FT MANAGED FUNDS SERVICE

Main table containing financial data for various funds and insurance products, including columns for fund names, prices, and performance metrics.

Handwritten text at the bottom of the page: 150 من الامل

سوقنا من الامل

FT MANAGED FUNDS SERVICE

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (444 177) 674 4576 for more details.

Table of FT Managed Funds Service listing various fund categories such as Global, UK, and Specialist funds with their respective prices and performance metrics.

Offshore Insurances and Other Funds

Table of Offshore Insurances and Other Funds listing various international and specialty funds with their respective prices and performance metrics.

GUCCI advertisement featuring a watch image and text: 'GUCCI TIMEPIECES ARE AVAILABLE FROM GUCCI BOND STREET, W.I., GUCCI SLOANE STREET, S.W.I., HARRODS AND SELFRIDGES...'

OTHER OFFSHORE FUNDS

Table of Other Offshore Funds listing various international and specialty funds with their respective prices and performance metrics.

MANAGED FUNDS NOTES: A detailed disclaimer and information regarding the management and risks of the funds listed in the advertisement.

LONDON SHARE SERVICE

ALCOHOLIC BEVERAGES

Table of stock prices for Alcoholic Beverages: GUINNESS, B&W, etc.

CHEMICALS - Cont.

Table of stock prices for Chemicals: ICI, ABB, etc.

ELECTRONIC & ELECTRICAL EQPT - Cont.

Table of stock prices for Electronic & Electrical Equipment: Philips, etc.

EXTRACTIVE INDUSTRIES - Cont.

Table of stock prices for Extractive Industries: Anglo, etc.

HOUSEHOLD GOODS - Cont.

Table of stock prices for Household Goods: B&N, etc.

INVESTMENT TRUSTS - Cont.

Table of stock prices for Investment Trusts: ITC, etc.

BANKS, MERCHANT

Table of stock prices for Banks & Merchants: HSBC, etc.

DISTRIBUTORS

Table of stock prices for Distributors: Wm Morrison, etc.

ENGINEERING

Table of stock prices for Engineering: Babcock, etc.

INSURANCE

Table of stock prices for Insurance: Prudential, etc.

INVESTMENT TRUSTS

Table of stock prices for Investment Trusts: ITC, etc.

BANKS, RETAIL

Table of stock prices for Banks & Retail: Lloyds, etc.

DIVERSIFIED INDUSTRIALS

Table of stock prices for Diversified Industrials: British Steel, etc.

FOOD PRODUCERS

Table of stock prices for Food Producers: Unilever, etc.

INSURANCE

Table of stock prices for Insurance: Prudential, etc.

INVESTMENT TRUSTS

Table of stock prices for Investment Trusts: ITC, etc.

BREWERIES, PUBS & REST

Table of stock prices for Breweries, Pubs & Restaurants: Whitbread, etc.

DIVERSIFIED INDUSTRIALS

Table of stock prices for Diversified Industrials: British Steel, etc.

ENGINEERING

Table of stock prices for Engineering: Babcock, etc.

INSURANCE

Table of stock prices for Insurance: Prudential, etc.

INVESTMENT TRUSTS

Table of stock prices for Investment Trusts: ITC, etc.

BUILDING & CONSTRUCTION

Table of stock prices for Building & Construction: B&C, etc.

DIVERSIFIED INDUSTRIALS

Table of stock prices for Diversified Industrials: British Steel, etc.

FOOD PRODUCERS

Table of stock prices for Food Producers: Unilever, etc.

INSURANCE

Table of stock prices for Insurance: Prudential, etc.

INVESTMENT TRUSTS

Table of stock prices for Investment Trusts: ITC, etc.

BREWERIES, PUBS & REST

Table of stock prices for Breweries, Pubs & Restaurants: Whitbread, etc.

DIVERSIFIED INDUSTRIALS

Table of stock prices for Diversified Industrials: British Steel, etc.

ENGINEERING

Table of stock prices for Engineering: Babcock, etc.

INSURANCE

Table of stock prices for Insurance: Prudential, etc.

INVESTMENT TRUSTS

Table of stock prices for Investment Trusts: ITC, etc.

BUILDING & CONSTRUCTION

Table of stock prices for Building & Construction: B&C, etc.

DIVERSIFIED INDUSTRIALS

Table of stock prices for Diversified Industrials: British Steel, etc.

ENGINEERING

Table of stock prices for Engineering: Babcock, etc.

INSURANCE

Table of stock prices for Insurance: Prudential, etc.

INVESTMENT TRUSTS

Table of stock prices for Investment Trusts: ITC, etc.

BREWERIES, PUBS & REST

Table of stock prices for Breweries, Pubs & Restaurants: Whitbread, etc.

DIVERSIFIED INDUSTRIALS

Table of stock prices for Diversified Industrials: British Steel, etc.

ENGINEERING

Table of stock prices for Engineering: Babcock, etc.

INSURANCE

Table of stock prices for Insurance: Prudential, etc.

INVESTMENT TRUSTS

Table of stock prices for Investment Trusts: ITC, etc.

BUILDING & CONSTRUCTION

Table of stock prices for Building & Construction: B&C, etc.

DIVERSIFIED INDUSTRIALS

Table of stock prices for Diversified Industrials: British Steel, etc.

ENGINEERING

Table of stock prices for Engineering: Babcock, etc.

INSURANCE

Table of stock prices for Insurance: Prudential, etc.

INVESTMENT TRUSTS

Table of stock prices for Investment Trusts: ITC, etc.

BREWERIES, PUBS & REST

Table of stock prices for Breweries, Pubs & Restaurants: Whitbread, etc.

DIVERSIFIED INDUSTRIALS

Table of stock prices for Diversified Industrials: British Steel, etc.

ENGINEERING

Table of stock prices for Engineering: Babcock, etc.

INSURANCE

Table of stock prices for Insurance: Prudential, etc.

INVESTMENT TRUSTS

Table of stock prices for Investment Trusts: ITC, etc.

BUILDING & CONSTRUCTION

Table of stock prices for Building & Construction: B&C, etc.

DIVERSIFIED INDUSTRIALS

Table of stock prices for Diversified Industrials: British Steel, etc.

ENGINEERING

Table of stock prices for Engineering: Babcock, etc.

INSURANCE

Table of stock prices for Insurance: Prudential, etc.

INVESTMENT TRUSTS

Table of stock prices for Investment Trusts: ITC, etc.

BREWERIES, PUBS & REST

Table of stock prices for Breweries, Pubs & Restaurants: Whitbread, etc.

DIVERSIFIED INDUSTRIALS

Table of stock prices for Diversified Industrials: British Steel, etc.

ENGINEERING

Table of stock prices for Engineering: Babcock, etc.

INSURANCE

Table of stock prices for Insurance: Prudential, etc.

INVESTMENT TRUSTS

Table of stock prices for Investment Trusts: ITC, etc.

BUILDING & CONSTRUCTION

Table of stock prices for Building & Construction: B&C, etc.

DIVERSIFIED INDUSTRIALS

Table of stock prices for Diversified Industrials: British Steel, etc.

ENGINEERING

Table of stock prices for Engineering: Babcock, etc.

INSURANCE

Table of stock prices for Insurance: Prudential, etc.

INVESTMENT TRUSTS

Table of stock prices for Investment Trusts: ITC, etc.

BREWERIES, PUBS & REST

Table of stock prices for Breweries, Pubs & Restaurants: Whitbread, etc.

DIVERSIFIED INDUSTRIALS

Table of stock prices for Diversified Industrials: British Steel, etc.

ENGINEERING

Table of stock prices for Engineering: Babcock, etc.

INSURANCE

Table of stock prices for Insurance: Prudential, etc.

INVESTMENT TRUSTS

Table of stock prices for Investment Trusts: ITC, etc.

BUILDING & CONSTRUCTION

Table of stock prices for Building & Construction: B&C, etc.

DIVERSIFIED INDUSTRIALS

Table of stock prices for Diversified Industrials: British Steel, etc.

ENGINEERING

Table of stock prices for Engineering: Babcock, etc.

INSURANCE

Table of stock prices for Insurance: Prudential, etc.

INVESTMENT TRUSTS

Table of stock prices for Investment Trusts: ITC, etc.

BREWERIES, PUBS & REST

Table of stock prices for Breweries, Pubs & Restaurants: Whitbread, etc.

DIVERSIFIED INDUSTRIALS

Table of stock prices for Diversified Industrials: British Steel, etc.

ENGINEERING

Table of stock prices for Engineering: Babcock, etc.

INSURANCE

Table of stock prices for Insurance: Prudential, etc.

INVESTMENT TRUSTS

Table of stock prices for Investment Trusts: ITC, etc.



وصفنا من الامايل

صكنا من الامل

LONDON SHARE SERVICE

INV TRUSTS SPLIT CAPITAL - Cont.

Table listing investment trusts with columns for Name, Price, and % Change.

LEISURE & HOTELS - Cont.

Table listing leisure and hotels companies with columns for Name, Price, and % Change.

PAPER, PACKAGING & PRINTING

Table listing paper, packaging and printing companies with columns for Name, Price, and % Change.

PROPERTY - Cont.

Table listing property companies with columns for Name, Price, and % Change.

TELECOMMUNICATIONS

Table listing telecommunications companies with columns for Name, Price, and % Change.

AIM - Cont.

Table listing companies on the Alternative Investment Market (AIM) with columns for Name, Price, and % Change.

OTHER INVESTMENT TRUSTS

Table listing other investment trusts with columns for Name, Price, and % Change.

LIFE ASSURANCE

Table listing life assurance companies with columns for Name, Price, and % Change.

RETAILERS, FOOD

Table listing retailers and food companies with columns for Name, Price, and % Change.

RETAILERS, GENERAL

Table listing general retailers with columns for Name, Price, and % Change.

TEXTILES & APPAREL

Table listing textiles and apparel companies with columns for Name, Price, and % Change.

AMERICANS

Table listing American companies with columns for Name, Price, and % Change.

INVESTMENT COMPANIES

Table listing investment companies with columns for Name, Price, and % Change.

MEDIA

Table listing media companies with columns for Name, Price, and % Change.

PHARMACEUTICALS

Table listing pharmaceutical companies with columns for Name, Price, and % Change.

PROPERTY

Table listing property companies with columns for Name, Price, and % Change.

TOBACCO

Table listing tobacco companies with columns for Name, Price, and % Change.

CANADIANS

Table listing Canadian companies with columns for Name, Price, and % Change.

OIL EXPLORATION & PRODUCTION

Table listing oil exploration and production companies with columns for Name, Price, and % Change.

PROPERTY - Cont.

Table listing property companies with columns for Name, Price, and % Change.

SUPPORT SERVICES

Table listing support services companies with columns for Name, Price, and % Change.

WATER

Table listing water companies with columns for Name, Price, and % Change.

AIM

Table listing companies on the Alternative Investment Market (AIM) with columns for Name, Price, and % Change.

SOUTH AFRICANS

Table listing South African companies with columns for Name, Price, and % Change.

LEISURE & HOTELS

Table listing leisure and hotels companies with columns for Name, Price, and % Change.

OIL, INTEGRATED

Table listing integrated oil companies with columns for Name, Price, and % Change.

PROPERTY - Cont.

Table listing property companies with columns for Name, Price, and % Change.

PROPERTY - Cont.

Table listing property companies with columns for Name, Price, and % Change.

PROPERTY - Cont.

Table listing property companies with columns for Name, Price, and % Change.

PROPERTY - Cont.

Table listing property companies with columns for Name, Price, and % Change.

Rockwell components for heavy and medium duty trucks and trailers keep businesses on the road to exceptional performance.



GUIDE TO LONDON SHARE SERVICE
Prices for the London Share Service...
FT Free Annual Reports Service
You can obtain the current annual/interim report of any company...

LONDON STOCK EXCHANGE

MARKET REPORT

London inches nearer to new closing peak

By Philip Cogan, Markets Editor

The London stock market once again demonstrated its recent resilience by shaking off an early decline to edge a step nearer its all-time closing high.

The day's economic data were not designed to help the equity market. The July unemployment numbers showed a bigger-than-expected drop of 24,000, albeit on a seasonally adjusted basis, while the underlying rate of annual average earnings growth edged up to 3.75 per cent.

Other interest rate cut, especially as the minutes of the July 3 monetary meeting show that Mr Eddie George, the governor of the Bank of England, is strongly opposed to another reduction.

The FT-SE Mid-250 index also managed a gain of 5.5 to 4,351.5. But gilts did not recover their losses, and the benchmark 10 year issue finished the day with a fall of three eighths of a point.

Mr Mark Brown, head of strategy and economics at ABN-Amro Hoare Govett, said: "Confidence was tested in July and survived and that leads to a bounce-back. Equity markets are being supported by the fall in US bond yields from 7.25 per cent to 6.75 per cent and in the UK, by liquidity; there has been around \$1bn of share buy-backs over the last month."

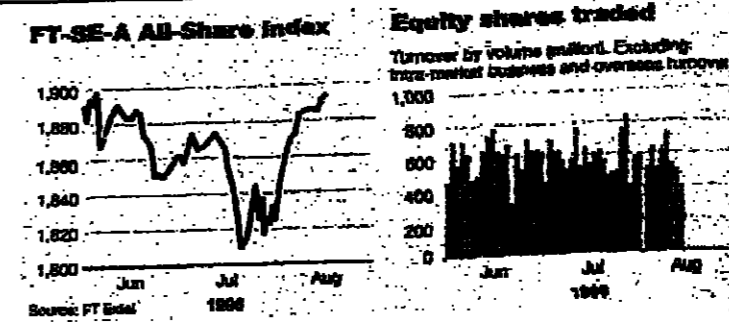


Table with 2 columns: Index and Ratios. FT-SE 100: 3830.3 (+5.9). FT-SE Mid 250: 4351.9 (+5.8). FT-SE A 350: 1917.6 (+3.2). FT-SE A All-Share: 1894.55 (+3.05). FT-SE A All-Share yield: 3.89. Best performing sectors: Banks/Merchant (+1.4), Extractive Industries (+1.4), Building Mats & Merch (+0.8).

Hanson toughs it out

By Peter John, Jeffrey Brown and John Diudis

Leading conglomerate Hanson, one of this year's worst performing Footsie stocks, was wearing a brave face ahead of today's third quarter results. The shares added 2% to 189 1/2p.

the top of the Footsie inspired by what one analyst described as "summer mischief". The non-voting shares rose 40 to 104 1/2p and the ordinarys 20 to 134 1/2p on a return of long running takeover speculation.

Interest rate optimism got more firmly behind the builders with the materials sector showing a number of lively gains, notably the so-called German stocks, Redland and RMC.

390p, Caraden 6 to 21 1/2p and Meyer International, up 9 to 307 1/2p. Housebuilder Bellway, which is due to replace Southern Water in the FT-SE Mid 250 index, jumped 12 to 319p for a two-day advance of 6 per cent.

Balfour Beatty construction arm, which turned a profit of £13m into an £8m loss for the half-year. Engineer Glyndwed International shed 6 to 85 1/2p after the group's interim results came in at the bottom end of City expectations.

FUTURES AND OPTIONS. FT-SE 100 INDEX FUTURES (LFFE) 225 per full index point. Open: 3827.0, Settle: 3836.0, High: 3846.0, Low: 3822.0, Est. vol: 10624, Open Int: 61867.

Not all brokers are downhearted. Mr Martin Bomford, conglomerate analyst at UBS, remains a buyer of the stock.

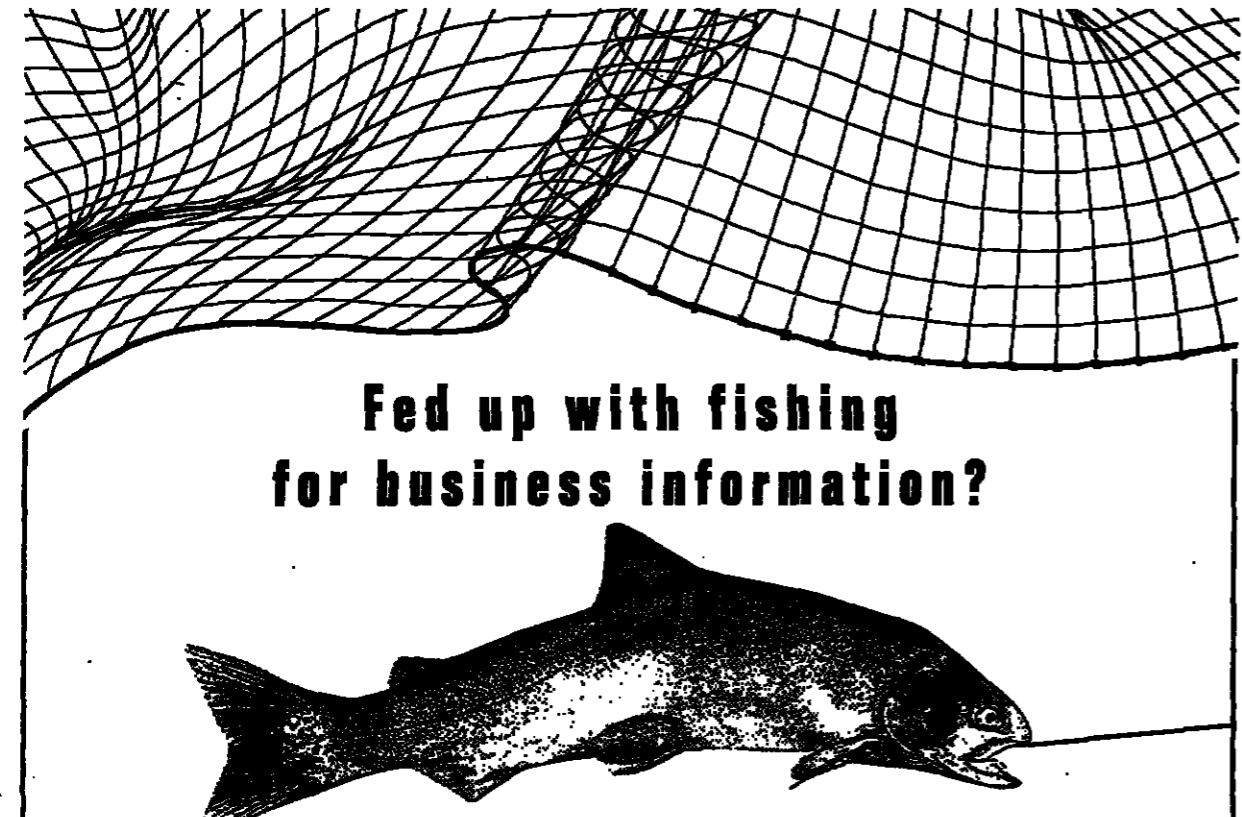
Standard Chartered fell 14 to 69 1/2p in the wake of cautious comments from Goldman Sachs.

Blue Circle gained 5 to 278 1/2p. The FT-SE AIM 100 rose 10 to 1074.80.

London market data. Total Rises: 539, Total Falls: 576, Total Shares: 1,578.

LONDON RECENT ISSUES: EQUITIES. Table with columns: Issue, Price, Yield, etc. Includes items like BHP, Anglo, etc.

TRADING VOLUME. Major Stocks Yesterday. Table with columns: Stock Name, Vol, Closing, Day's Change.



Fed up with fishing for business information?

Do you waste time searching for the right information? There is a solution - FT Discovery. For company information, business news, real time news and much more. It couldn't be easier. Simple to use.

Form for FT Discovery subscription: Name, Position, Office Phone Number, Nature of Company's Business, etc.

FT GOLD MINES INDEX

Table with columns: Gold Mines Index, 12 Day High, 12 Day Low, etc. Includes regional indices for Europe, Africa, etc.

FT-SE Actuaries Share Indices

Table with columns: Index Name, Day's Change, etc. Includes FT-SE 100, FT-SE Mid 250, etc.

FT-SE Actuaries All-Share

Table with columns: Index Name, Day's Change, etc. Includes FT-SE 100, FT-SE Mid 250, etc.

Hourly movements

Table with columns: Index Name, Open, 9.00, 10.00, etc. Shows hourly price movements for FT-SE 100, FT-SE Mid 250, etc.

Additional information on the FT-SE Actuaries Share Indices is published in Saturday issues. The FT-SE Actuaries Share Indices are calculated by FT-SE International Limited in conjunction with the Faculty of Actuaries and the Institute of Actuaries.

Advertisement for FT Discovery with logo and contact information: Phone FT Discovery information line on +44 (0) 171 826 8000 or email: ftdiscovery@ft.com

Highs & Lows shown on a 52 week basis

WORLD STOCK MARKETS

EUROPE

Table of stock market data for Europe, including indices and individual stock prices for various countries like Germany, France, and the UK.

Table of stock market data for Europe, including indices and individual stock prices for various countries like Italy, Spain, and Greece.

Table of stock market data for Europe, including indices and individual stock prices for various countries like Switzerland, Austria, and the Netherlands.

Table of stock market data for Europe, including indices and individual stock prices for various countries like Belgium, Portugal, and Ireland.

Table of stock market data for Europe, including indices and individual stock prices for various countries like Denmark, Finland, and Sweden.

Table of stock market data for Europe, including indices and individual stock prices for various countries like Norway, Korea, and Japan.

Advertisement for Peregrine, an Asian corporate finance and bookrunner of Asian equity issues in 1996. Includes a logo and contact information.

Table of stock market data for Europe, including indices and individual stock prices for various countries like Turkey, Greece, and the UK.

Table of stock market data for Europe, including indices and individual stock prices for various countries like Malaysia, Singapore, and Hong Kong.

Table of stock market data for Europe, including indices and individual stock prices for various countries like New Zealand, South Africa, and Africa.

Table of stock market data for Europe, including indices and individual stock prices for various countries like Australia, New Zealand, and South Africa.

Table of stock market data for Europe, including indices and individual stock prices for various countries like Japan, Korea, and Taiwan.

Table of stock market data for Europe, including indices and individual stock prices for various countries like Pacific, Japan, and Korea.

Table of stock market data for Europe, including indices and individual stock prices for various countries like New Zealand, South Africa, and Africa.

Table of stock market data for Europe, including indices and individual stock prices for various countries like South Africa and Africa.

Table of stock market data for Europe, including indices and individual stock prices for various countries like South Africa and Africa.

Table of stock market data for Europe, including indices and individual stock prices for various countries like South Africa and Africa.

Table of stock market data for Europe, including indices and individual stock prices for various countries like South Africa and Africa.

Table of stock market data for Europe, including indices and individual stock prices for various countries like South Africa and Africa.

Table of stock market data for Europe, including indices and individual stock prices for various countries like South Africa and Africa.

INDICES

Table of stock market indices for various regions including Europe, Asia, and Africa.

US INDICES

Table of stock market indices for the United States, including Dow Jones, S&P 500, and NASDAQ.

US INDICES

Table of stock market indices for the United States, including Dow Jones, S&P 500, and NASDAQ.

US INDICES

Table of stock market indices for the United States, including Dow Jones, S&P 500, and NASDAQ.

US INDICES

Table of stock market indices for the United States, including Dow Jones, S&P 500, and NASDAQ.

INDEX FUTURES

Table of stock market futures data for various indices.

INDEX FUTURES

Table of stock market futures data for various indices.

INDEX FUTURES

Table of stock market futures data for various indices.

INDEX FUTURES

Table of stock market futures data for various indices.

INDEX FUTURES

Table of stock market futures data for various indices.

Small print and legal notices at the bottom of the page, including copyright information and disclaimer.

NEW YORK STOCK EXCHANGE PRICES

Main table containing stock prices for various companies, organized into columns with headers like 'NEW YORK STOCK EXCHANGE PRICES' and 'FINANCIAL TIMES'. Includes sub-sections like 'A', 'B', 'C', 'D', 'E', 'F', 'G', 'H', 'I', 'J', 'K', 'L', 'M', 'N', 'O', 'P', 'Q', 'R', 'S', 'T', 'U', 'V', 'W', 'X', 'Y', 'Z'.

BE OUR GUEST! JOLLY HOTEL DU GRAND SABLON BRUSSELS. When you stay with us in BRUSSELS stay in touch with your complimentary copy of the FINANCIAL TIMES.

سكاي ان الايام



صحة من الامل

NYSE PRICES

Table of NYSE stock prices including columns for stock name, price, change, and volume. Includes sub-sections like 'Continued from previous page', '-V-', '-T-', '-W-', '-U-', and '-X-Y-Z-'.

NASDAQ NATIONAL MARKET

Table of NASDAQ National Market stock prices including columns for stock name, price, change, and volume. Includes sub-sections like '-L-', '-S-', '-M-', '-F-', '-B-', '-G-', '-H-', '-I-', '-J-', '-K-', '-L-', '-M-', '-N-', '-O-', '-P-', '-Q-', '-R-', '-S-', '-T-', '-U-', '-V-', '-W-', '-X-', '-Y-', '-Z-'.

AMEX PRICES

Table of AMEX stock prices including columns for stock name, price, change, and volume. Includes sub-sections like 'Continued from previous page' and '-T-'.

Advertisement for 'Have your FT hand delivered in Warsaw.' featuring the 'Warsaw' logo and contact information for Financial Times World Business Newspaper.

Continuation of the NASDAQ National Market table from the previous page, listing various stock prices and market data.

AMERICA Dell Computer lifts technology sector

US shares were mostly flat to modestly lower in mid-session, in spite of optimism in some parts of the technology sector, writes Lisa Bransford in New York. At 1 pm the Dow Jones Industrial Average was off 9.25 at 5,638.03...

EUROPE Dollar helps stabilise quiet bourses

A stronger dollar offset Tuesday's Wall Street losses but FRANKFURT stayed quiet, toying with a number of situations as the Dax eased 1.04 to an 11.5-in turnover DM1bn lower at DM5.9bn. Headline financials were relatively mixed. Swiss Re, which had been seen as a possible buyer for American Re, rose Sfr19 to Sfr1,268 after the Munich Re deal merged, but SBC fell Sfr2.75 to Sfr236...

Buenos Aires regains calm

There was a calmer trading environment in BUENOS AIRES as investors reflected on Tuesday's 5 per cent decline. The Merval index was up 0.03 at 500.43 by mid-session. Some brokers said that the market's tumble during the course of the previous session, after the government had published its new economic programme which called for a number of austerity measures, was probably overdone.

ASIA PACIFIC NTT shares lead as Nikkei rises again

current profits were likely to plunge by 70 per cent from a year earlier to Y19bn, and blamed slow sales of the 64-bit game machines launched in June. Nintendo's shares were last quoted yesterday morning, ask-only Y400 or 6.3 per cent lower at Y7,240. A Nikkei spokesman later described the report as "groundless". The OSE average yesterday rose 143.99 to 21,858.34.

EMERGING MARKETS: IFC WEEKLY INVESTABLE PRICE INDICES

Table with columns: Market, No. of stocks, August 9th 1996, % Change, August 9th 1995, % Change, Local currency terms, August 9th 1996, % Change, August 9th 1995, % Change.

The Indonesian government said yesterday that it would allow companies to revalue their assets in an effort to boost the stock market. The measure is seen as an attempt to encourage more companies to seek a listing. The stock market has been affected since riots struck Jakarta on July 27, and there have been fears that political turmoil may continue for some time.

STRATEGIC DEVELOPMENTS IN THE FOOD AND DRINK INDUSTRY

Special Conference Monday 23 September 1996 The Merchant Centre, London, EC4. Speakers include: Andrew Dare, Milk Marque; Guy Dickson, Scottish Courage; James Espy, Seagram Distillers; Jim Grover, Grand Metropolitan; Mark Lynch, SBC Warburg; Roger Pilgrim, Charterhouse Development Capital; John Spicer, SBC Warburg; John Wood-Down, Hillside Holdings and Peter York on The Challenge of Advertising.

FT/S&P ACTUARIES WORLD INDICES

Table with columns: REGIONAL MARKETS, US, Day's Change, % Change, POUND, Yen, DM, Local Index, Local Yield, Gross, US Dollar Index, POUND, Yen, DM, Local Index, Local Yield, Gross, US Dollar Index.

FT-SE Actuaries Share Indices

Table with columns: Aug 14, Hourly changes, Open, 10.30, 11.00, 12.00, 13.00, 14.00, 15.00, Close, THE EUROPEAN SERIES.

Copyright, FT-SE International Limited, Goldman, Sachs and Co. and Standard & Poor's. All rights reserved. "FT-SE Actuaries" is a joint trademark of The Financial Times Limited and Standard & Poor's. Local prices were unavailable for this edition.

Advertisement for 'Milk Millan' featuring a woman's face and text: 'SEND US YOUR OWN PAPERCLIP', 'LEGAL NOTICES', 'FREEPOST LONDON SW1 1BN'.

Handwritten text in Arabic script: 'صكنا من الامل'.

سكوات الامل

NEWS: ASIA-PACIFIC

China snubs Murdoch's TV 'dreams'

China has again poured cold water on the ambitions of Mr Rupert Murdoch to secure access to the fast growing China cable television market for his loss-making Hong Kong-based Star TV network.

Mr Li Kehan, a deputy director of the Ministry of Radio Film and Television, said recent claims by Mr Murdoch that he was on the verge of securing access to China were incorrect and premature.

Star TV, which cost Mr Murdoch \$500m in 1993, is expected to lose between \$30m-\$100m this year. The network may end up requiring investment of \$1bn before it turns a profit, according to industry estimates.

The latest sharp criticism of Mr Murdoch's China ambitions is certain to be disappointing for Star TV executives, who have been under considerable pressure to secure direct access to the mainland's exploding cable networks.

Star TV's claims appear to be on the high side. China has some 45m cable subscribers, doubt on claims by Star that it is reaching 30m households in China by way of satellite and cable broadcasts.

Suharto opponent may face arrest

By Manuela Saragosa in Jakarta

Indonesia's embattled opposition figurehead, Ms Megawati Sukarnoputri, yesterday said she "cannot rule out" the possibility of her arrest, a move which could spark further political unrest.

"It could happen," Ms Megawati said yesterday in an interview with the Financial Times. The ousted leader of the opposition Indonesian Democratic party (PDI), replaced by a government-backed candidate earlier this year, is due to turn up for a second session of police questioning in Jakarta today.

Separately, President Suharto, in a rare interview published in the Japanese newspaper Nihon Keisei Shinbun yesterday, said the issue of Ms Megawati's arrest "will be decided by the law after the questioning". Ms Megawati is being questioned for allowing such forces to take advantage of her party's conflicts and political gatherings, he said.

Tomorrow, President Suharto will deliver his annual state of the nation speech, which is likely to provide some indication of how he plans to deal with the political unrest. The president will speak to Indonesia's parliament - on the eve of the country's 51st anniversary of independence - in an address which will be broadcast live by state television.

The president told the Japanese newspaper he had yet to decide whether to run for president in the next elections in 1998, but added: "There is a need to prepare the next leader." Earlier this week the president promoted his son-in-law within the military in a move seen as grooming him to succeed the ageing Indonesian leader, who is aged 75.

Ms Megawati said she felt "calm" about the prospect of arrest. "I am very clear about my life, my nation and my respect for the Indonesian people," she said.

She was questioned for more than six hours last week at Jakarta police headquarters about rioting and looting which rocked the capital on July 27. Riots started after police forcibly evicted Ms Megawati's supporters from the PDI's headquarters in Jakarta.

However, Ms Megawati said there were other causes beyond her removal from the PDI leadership behind last month's riots. "There are many problems in Indonesia in this period which cannot be properly resolved. Especially big problems such as corruption, collusion, unemployment (among other things)."

In the aftermath of the riots, the authorities cracked down on critics of the government and many people were arrested.

Australia names central banker

By Nikid Tait in Sydney

Mr Ian Macfarlane has been named next governor of Australia's Reserve Bank, the central monetary authority, in an announcement which brings to an end months of speculation.

Mr Macfarlane, who is one of two deputy governors and has been with the bank since the late-1970s, was the heavily-favoured candidate. He will take over from Mr Bernie Fraser next month.

Mr Fraser was appointed under a former Labor government and has already indicated he will not seek reappointment when his seven-year term ends on September 17.

In a second announcement, Mr Peter Costello, federal treasurer, said Mr Hugh Morgan, the influential but sometimes controversial head of WMC, the large-mining group, would fill the Reserve Bank board vacancy left by the resignation of Mr Bill Kelly, a union leader.

The choice of Mr Macfarlane is likely to be welcomed by the financial community. He is generally perceived as more "hawkish" on inflation than his predecessor, although the two have always appeared to have a harmonious relationship, and Mr Macfarlane has kept a low public profile until recently.

A hint of his views came in an address to a Metal Trades Industry Association conference earlier this year, when he noted that monetary policy in Australia was "increasingly focused on the need to maintain low inflation."

"I want to remind you that we now live, work and aim to sell our output in a world characterised by inflation and relatively low pricing power by business and labour. People who fail to recognise this, and who slip back into the habits of thought of the 1970s and 1980s, will pay a heavy price, and, by extension, will hit the whole community," he said.

Mr Costello accompanied news of Mr Macfarlane's appointment with a statement on "the conduct of monetary policy" in Australia, and an exchange of letters setting out the government's and the governor-designate's endorsement of this.

The statement reiterates the bank's existing objective of "keeping underlying inflation between 2 and 3 per cent, on average, over the cycle."

Australia's federal government is to extend by two years the deadline imposed on foreign banks for converting their Australian subsidiaries into local branches. The new deadline will be December 23, 1998, with the transfer of assets and liabilities by late 2000.

Japan's Liberal Democrats return to pre-eminence

In the smothering heat of an August morning seven elderly men in formal suits will today enact a symbolic ritual by filing solemnly into the inner sanctum of the Yasukuni shrine in central Tokyo.



Ryutaro Hashimoto: doubts about an early election

The seven, all cabinet members, will be honouring the memory of the Japanese war dead on the fifty-first anniversary of the country's surrender at the end of the second world war. The symbolism of Shinto ritual will be rich historically and politically. The event marks nothing less than the full return to national ascendancy of the Liberal Democratic party.

For the last few years, the ceremony has been a deliberately low-key affair, reflecting the controversial nature of the shrine in Japanese political life. Among the souls enshrined at Yasukuni are those of the Class A war criminals tried and hanged by the Allies at the end of the war. Since the LDP fell from national grace a few years ago, their politicians have been wary of making too much of a public display of their devotion.

They took their cue from the prime minister, Mr Ryutaro Hashimoto, who two weeks ago became the first head of government to visit the shrine since the glory days of LDP ascendancy 11 years ago. It was a sure sign of the return to pre-eminence of the party that neither the Social Democrats, nor the New Harbinger party, the other coalition members, felt able to criticise the visits.

Now Mr Hashimoto and his colleagues are entering the last stage of the consolidation of the LDP's recovery. In the next few months, he must make the most crucial decision of his prime ministership - when to call an election. If he gets it right, he has every prospect of cementing the party's long-term political ascendancy.

It has been a remarkably even-paced march back to restoration for the LDP. Ousted in 1993 after nearly 40 years in power, the party was forced to cool its heels in opposition for a year. By the summer of 1994, it was back in government, in a coalition with its two unlikely new allies, under a socialist prime minister.

Then in January this year, it recovered the prime ministership when Mr Hashimoto was elected by members of parliament, though still thanks partly to the votes of fellow coalition members.

A general election for the main, lower house of the Japanese parliament has to be held some time between now and next June. A new electoral system - part single-member seat, part multi-member, clouds accurate prognostications about the outcome, but LDP leaders clearly believe they can secure a clear majority.

With an approval rating now above 40 per cent, the party can look forward to the election with real hope.

Consequently, leading figures are pressing for an election soon, perhaps as early as October. They say delay would bring risks.

This autumn the government faces another difficult series of legislative battles. The main business of the special session of parliament, scheduled to open in September, will be the continuing controversy over the renewal of land leases for the US forces on Okinawa. The SDP has threatened to oppose some of the proposals, but an early election would scupper that.

The attraction of exploiting the current disarray in the main opposition New Frontier party will also prove hard to resist. Deeply riven by personal and policy differences the party is in no condition to fight an early general election.

But Mr Hashimoto himself is not so sure. He is said to favour delaying an election until the new year for two main tactical reasons.

The benefits of the gradually recovering economy

Prime Minister Ryutaro Hashimoto yesterday issued Japan's first written apology to women forced into sex slavery by the Japanese army during the second world war, Reuters reports from Tokyo.

have not yet seeped through to ordinary voters. In the autumn, the Bank of Japan is likely to raise interest rates and, in Japan, that is, paradoxically, popular - as the country's famously plentiful savers benefit from higher deposit rates.

In addition, there is a series of autumn international photo opportunities that will enhance Mr Hashimoto's status. These include the annual Asia-Pacific Economic Co-operation forum meeting and a possible visit to the US.

But, most important, the prime minister may have given the real game away last week. He suggested an election should not be held until after the passage of the planned supplementary budget, probably in December.

This may be the clinching consideration for the LDP. That budget is expected to provide for hefty new spending on construction projects. The big builders are almost all big financial supporters of the LDP, which can be expected to repay the government's generosity in full with party contributions.

The LDP is strapped for cash, since the new electoral system is proving as costly as the old one in terms of buying up support in the party's heartlands. Mr Hashimoto knows too well it would be churlish to enter a campaign without a full war chest. Given the stakes - nothing less than a chance to restore the LDP to its historic position of dominance in the country's politics, Mr Hashimoto is unlikely to get his timing wrong.

China in talks on oil with Iraq

China, faced with an ever-growing energy demand, is holding discussions with Iraq to co-operate in seismic studies and exploration in Iraqi oilfields, China oil officials said yesterday.

"We are discussing with Iraq to co-operate in oil seismic studies and exploration," a source from the state-run oil industry said by phone from Beijing. "We are discussing possibilities in one Iraqi oilfield... but we have not signed any agreement," he added. He declined to say when a deal could be clinched or name the oilfield.

Iraq, under strict UN sanctions since its 1990 invasion of Kuwait, was formally given permission last week to sell 500,000 tonnes of oil every six months, on a renewable basis, to buy food and medicine for the Iraqi people. Iraq has the world's second biggest oil reserves after Saudi Arabia. Its proven reserves are more than 112bn barrels (1 per cent of world total).

Reuters, Hong Kong

Manila rejects call to devalue

The Philippine central bank yesterday rejected calls by a senior cabinet minister for the monetary authorities to engineer a depreciation of the Philippine peso to boost the country's export earnings.

In signs of growing tension between the central bank and a vocal exporters' lobby, the central bank denied the peso was overvalued against the US dollar, reiterating its commitment to a market-determined rate. The peso has depreciated about 5 per cent over the past 12 months. The central bank, which has intervened heavily to prevent the currency from appreciating over the past six months, boosting foreign exchange reserves to over \$11bn (under \$7bn at the start of the year), said it would stick to its "successful" strategy. The bank's stated policy is to intervene to curb excessive fluctuations in the peso/dollar rate.

Edward Luce, Manila

Karachi gunmen kill 11

At least 11 people were killed and another three injured yesterday when unknown gunmen opened fire at a rally organised by a Sunni Moslem group in Karachi.

The rally was organised by the Anjumani Sipah-e-Sahaba Pakistan (ASSP) to mark independence day celebrations.

The ASSP is known as one of Pakistan's most militant religious organisations. It has campaigned for years for a government ban on the religious activities of the country's Shia Moslem minority.

The killings immediately triggered fears of an escalation in violence between rival Moslem groups. Tempers have been running high in parts of Pakistan recently, since the killing of four prominent Shias, who included a senior bureaucrat. Farhan Bokhari, Islamabad

Land sale prices lift spirits in Hong Kong

In land-scarce Hong Kong, where swings in property prices underpin the economic mood, yesterday's land auction provided a welcome surprise.

The sale revealed a gathering momentum in the residential sector as bidding between some of the territory's biggest property groups pushed prices beyond expectation. The main site on offer, sold for HK\$380m (\$62m), compared with the HK\$400m-HK\$500m range predicted by many analysts.

Residential property prices have increased by about 15 per cent this year following the protracted slump of 1995.

"The sale shows improved confidence in the sector," said Mr Euan Weir, property analyst at Merrill Lynch in Hong Kong. "It was a good price and a good buyer," he added, referring to Henderson Land, the successful bidder and one of the territory's blue-chip property companies.

Shares in Hong Kong were lifted by the auction: the Hang Seng index climbed from a low of 11,096 to close at 11,187. The property sector is one of the main indicators of economic confidence in the territory, which returns to Chinese sovereignty next July.

Mr Daryl Ho, economist at Jardine Fleming, said the property market revival was likely to feed through into the sluggish retail sector in the second half. Weak consumer spending has been one of the main reasons for the lacklustre performance in the colony's economy, which expanded 3.1 per cent in the first quarter.

The government is forecasting a 5 per cent rise in gross domestic product this year. Many economists predict gathering momentum through the second half of the year, but believe this target is ambitious.

SEND US YOUR OWN PAPERCLIP. And while you are at it, please attach your cheque to fund more Macmillan Nurses in the fight against cancer. (Did you know over one million people are living with it?)

LEGAL NOTICES. THE MATTER OF THE COMPANIES ACT 1985. NOTICE IS HEREBY GIVEN pursuant to sub-section 434 of the Companies Act 1985 that a meeting of the creditors of the above-named company...

Auctioneers call for bidders during yesterday's government land auction at Hong Kong Cultural Centre. Includes a line graph showing Hong Kong property prices.

Microwaves, lawn mowers, computers. We're always looking for labour-making devices. Includes a form for TYNE WEAR and a list of product categories.

NEWS: UK

MPs highlight importance of intergovernmental conference 'Isolated' EU position forecast

By Robert Peston, Political Editor
The government's increasing isolation from other European countries over the future of the European Union was highlighted yesterday by the foreign affairs committee of the House of Commons.

number of major issues," the committee concluded in a report on the intergovernmental conference (IGC).

Euro-sceptic in his views. The government's view that the conference was the equivalent of a "5,000 mile [car] service" for the EU's institutions understated "the expectations of other member states".

government's position remains that while exchange rate stability is desirable, the way to achieve it is through the common pursuit of sound fiscal and monetary policies.

cially in the areas of justice, home affairs and foreign policy. It feared, however, that there would be a "concerted attempt at the IGC" for justice and home affairs to be transferred into the main decision-making apparatus of the EU.

Publisher in royalty row with composers

By Alice Rawsthorn, in London
Thorn EMI is threatened with legal action from UK songwriters claiming they are owed substantial sums in unpaid earnings from other countries. The threat comes on the eve of tomorrow's extraordinary general meeting at which Thorn EMI shareholders will vote on proposals to demerge the Thorn rental chain from the EMI music group.

UK NEWS DIGEST Jobless fall gathers pace

The fall in Britain's unemployment total gathered pace last month. With average earnings also rising unexpectedly quickly in the year to June, this appears to limit the scope for another cut in interest rates.

Opposition plans to woo business

Mr Tony Blair, leader of the opposition Labour party, will next month make his most determined pitch yet to win over the business community by making five pledges to underpin the economic policy of a Labour government.

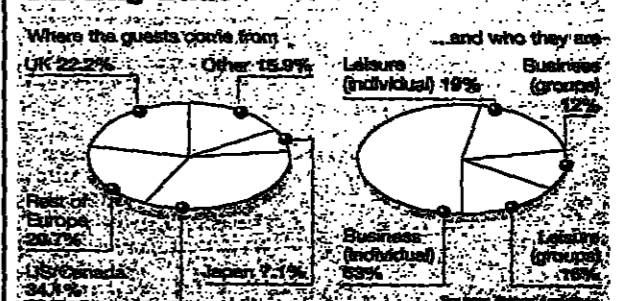
Browser competition rises

Internet service providers should co-operate in developing services which use features such as the Platform for Internet Content Selection, (PICS), Mr Ian Taylor, minister for science, said yesterday at the launch of Microsoft's new Internet Explorer Web browser software.

Kellogg challenges Tesco design

Kellogg is demanding Tesco changes the design of its own-label cornflake packets, alleging that the UK's leading supermarket chain plagiarised the design from Kellogg's well-known packaging.

LONDON HOTELS



Business books in for luxury

London's luxury hotels are far more dependent on business travellers than tourists, a recent survey of 20 first-class hotels, has found. The survey of the performance of 5-star hotels, including the Savoy and the London Hilton, was produced by Arthur Andersen, the accountants.

Principles of Lloyd's rescue plan challenged

By John Mason, Law Courts Correspondent
The proposed restructuring of Lloyd's of London breaches the fundamental principle behind the insurance market - that Names should be responsible for their own losses, the High Court was told yesterday.

saying the reconstruction proposals could be wrecked if it succeeded. The lawyer opening for the Names, Mr Richard Gordon, said the proposed system of compulsory premiums infringed the principle of several liability that underlined the market.



Rally: Striking postal workers in London yesterday showed solidarity against Royal Mail

Strikes hit six-year high

By Robert Taylor, Employment Editor
June was the worst month for industrial conflict in the UK for more than six years according to figures published yesterday by the Office for National Statistics.

The rise in industrial conflict could mark the beginning of a rising trend in labour militancy that some observers in industry believe could lead to widespread strike action during the coming winter.

terms and conditions of employment. The marathon dispute still going on at Liverpool docks that began last September has never been recorded in the official figures because the workers concerned were dismissed by their employer.

Queen to oppose millionaires in court

By Philip Jeune in Jersey
The multi-millionaire Barclay brothers are to be opposed by the Queen in a Channel Islands court action in which the brothers are seeking to free the tiny island of Brechou from its ancient feudal links to nearby Sark.

gnor of Sark, Mr Michael Beaumont. Sir Graham accepted claims by lawyers for the Crown that the Queen has a strong interest in the action and that her rights might be affected if the Barclays win their case.

The twins, said to be worth \$650m (\$1.01bn), are particularly concerned about Sark's feudal inheritance laws. Sark law dictates that their Brechou estate, which now includes a recently completed \$40m castle, be left to the eldest brother's eldest son.

The decision to allow the Crown to become a second defendant was welcomed by 68-year-old Mr Beaumont. "We can stand up to the Barclays' claims," he said. He is, he said, though, that the action probably means he will not get to know the Bar-

clays closely. "We could have been good neighbours," he said. Mr Beaumont said he was not impressed by recent comments from Lord McAlpine, a close friend of the brothers, that Sark's laws - which also prohibit divorce - are outdated and that the Barclays might pursue the matter as far as the European courts if they fail to get satisfaction in Guernsey.

Small abattoirs challenge BSE slaughter payment

By Deborah Hargreaves in London
Independent abattoirs have challenged the cost of killing cattle under the government's BSE slaughter scheme, saying they could do the job much more cheaply.

larger, more powerful plants. "It's highway robbery," said Mr Sammy Morphet, who has formed a group of 70 abattoirs that feel they have been unjustly treated by the Ministry of Agriculture.

Mr Roger Freeman, the minister responsible for co-ordinating the government's response to BSE, said that "a slightly more sophisticated system of payment is required related to the cost of the operation".

CONTRACTS & TENDERS. GOVERNO DA BAHIA. NOTICE OF BID - DCL. Companhia de Electricidade do Estado da Bahia - COELBA. Objeto: POWER TRANSFORMER. RECEIPT OF PROPOSALS: BY 9:00 A.M. SEPTEMBER 18, 1996. COST OF PREPARED BID CONDITIONS: R\$ 20,000 (TWENTY REALS).

Table with columns: Year, Price, etc. It lists various years from 1970 to 2000 and corresponding price values.

Sciences suffer as A-level candidates appear to switch to less rigorous subjects Exam success prompts row on standards

By John Authers in London
A sharp increase in the pass rate in A-level examinations taken by school pupils early in the summer was announced yesterday and led to renewed claims that standards had been diluted.

A, up from 15.6 to 16 per cent. Entries for science subjects fell, while less traditional subjects such as film studies and psychology saw a sharp increase in students.

The Confederation of British Industry was more positive, greeting the results as evidence that "the reforms of recent years, such as the introduction of the national curriculum, are paying off".

Exam success prompts row on standards

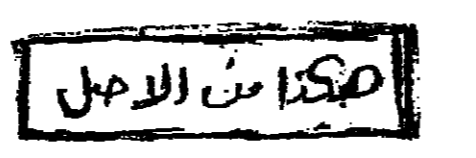
studies, which many universities do not accept as an A-level, rose by 10.4 per cent. The numbers attempting economics also fell 7.6 per cent, with candidates appearing to have switched to the more modern business studies course which was up 8.4 per cent.

Lord Henley, the education minister, said the government would guarantee standards by introducing a code of conduct for exam boards, and limiting the number of times modular candidates could re-sit exams.

LEGAL NOTICE. SERVICE HOME SERVICES LIMITED. (In Compulsory Liquidation). FINAL NOTICE. NOTICE IS HEREBY GIVEN that the Creditors of the above named Company, which is in Compulsory Liquidation, are required, on or before 30th August 1996 to send in their full claim and supporting details and descriptions.

MARGINED CURRENCY DEALING. Laurion. CALL TOLL-FREE. Flexible managed accounts. Limited liability guaranteed. Lowest margin deposits (24%-5%).

Editorial comment, Page 8



ARTS

صكران الامل

Cinema/Nigel Andrews

Jailhouse blues

The man in one film is chasing the ex-jailbird who once killed his child. The woman in another is on Death Row awaiting clemency for a brutal murder.

Estranged wife Anjelica Huston's attempts to placate Nicholson only fire him up further. And before you can see 'last in the sidge' he has told K...not to stop waiting on I-would by tracking Morse to the young man's trailer.

scored for reconciliation, messages and jazz music. Last Dance is Dead Man Walking in all but gender. Sharon Stone ends up in the lethal injection chamber, just like Mr Penn in his last onscreen endeavour.

- THE CROSSING GUARD Sean Penn
LAST DANCE Bruce Beresford
THE SILENCE OF THE HAMS Ezio Greggio
THE SECRET AGENT CLUB John Murlowski
HUNGER ARTIST Bernard Rudden
THE NICK OF TIME John Badham



Glooming away on themes of death and justice: Sharon Stone in 'Last Dance'

I see emptying movie theatres. Glooming away on themes of death, justice and retribution, these two movies try to put death and homicide back into a summer that sorely needs both commodities.

In the beginning was the Word and at the beginning of the day is the Reduced Shakespeare Company's 11.30am show, The Bible: The Complete Word of God (Abridged).

Mad methods of communication

think only of his work, his wife grows ever more neurotic about pollutants, his son cannot come to terms with his own sexuality nor his daughter, seemingly with any mode of social existence.

Mad methods of communication

Beware Dutchmen bearing programme notes. Dance must speak for itself. Nederlands Dans Theater's Festival season which opened on Tuesday at the Playhouse has programme notes hanging from every step.

Musical

Swinging sixties sanitised

Ivis Presley, Roy Orbison, Patsy Cline, Buddy Holly - is there no escape from the cool musical, purporting to tell the life of rock legends through their music.

INTERNATIONAL ARTS GUIDE
AMSTERDAM
EXHIBITION
Beats van Berge - tentoonstellingen Tel: 31-20-530 4141

Kunstmuseum Bonn Tel: 49-228-775121
COPENHAGEN
CONCERT
Tivoli Concert Hall Tel: 45-33 15 10 01

Madrid in 1623. The display, comprising 50 works including portraits, prints, drawings and sculpture, is centred on the National Gallery of Scotland's own Velázquez.

THEATRE
The Phil Tel: 44-171-6388891
The Painter of Dishonour: by Calderón. In a new version by Boswell and Johnston. Directed by Laurence Boswell and performed by the Royal Shakespeare Company; 7.15pm; Aug 18, 20 (also 2pm)

Aug 17
NEW YORK
EXHIBITION
The Metropolitan Museum of Art Tel: 1-212-879-5500

Stockholm
EXHIBITION
Moderna Museet - Museum of Modern Art Tel: 46-8-6664250

WORLD SERVICE
BBC for Europe can be received in western Europe on medium wave 648 kHz (463m)

COMMENT & ANALYSIS



Economic Viewpoint • Samuel Brittan
Bank argues with itself

Apparent discrepancies between a weak labour market and inflation warnings from other data have stimulated a search for new rules

The Bank of England Inflation Report is too much discussed in terms of its headline inflation projections and the clues it may give to forthcoming confrontations with Kenneth Clarke, the chancellor. It is mainly worthwhile for its economic analysis.

We already knew before the August report that the Bank was more worried than the chancellor about the risks of inflation exceeding the official target two years from now. But much more interesting is the Bank's labour market analysis, which seems at first sight to point the other way to the rest of the Inflation Report. For the contention of the labour market chapter is that, despite the large fall in claimant unemployment, the labour market has not tightened very much since the 1992 recession.

The important conclusion is a structural one. On the surface there has been a big improvement in labour market responsiveness. In the recovery of the 1990s claimant unemployment has been falling, while in the corresponding period of the 1980s recovery, it was still rising. But the difference is more than accounted for by the rise in "inactivity" - people of working age, who were neither recorded as working nor as claiming unemployment benefit (a phenomenon discussed in my Economic Viewpoint of July 4).

The total of unemployed plus "inactive" is sometimes known as the "non-employed". The number of non-employed of working age reached a peak in 1994 and has fallen only very slightly since. The stagnation in the demand for labour is confirmed by estimates of total hours worked, which after rising in the early export-led stages of the present recovery have hardly changed since the spring of 1995.

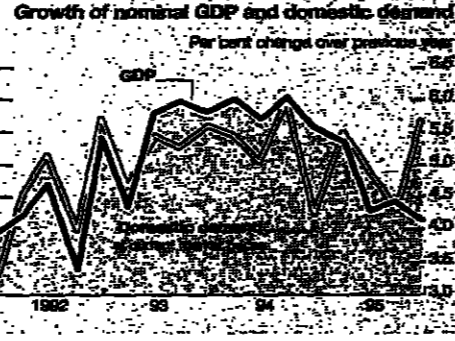
These findings fit in well with the moderate response

of both nominal and real earnings to economic recovery. They might indeed suggest that there is plenty of room for a faster rate of output growth before inflation is triggered off. This is especially so if, as the Bank seems to believe, the labour market reforms of the Thatcher period now enable the economy to be run at a higher level of activity.

The Bank's labour market analysis can just about be reconciled with its inflation warnings by saying that the latter are based on forward-looking indicators, while the labour market analysis refers to the recent past. The one available forward-looking labour market indicator, the ratio of vacancies to unemployment, has indeed risen sharply. Domestic demand is already growing strongly, even though activity is held back by abnormally low stock building and the stagnation of export demand from Europe. These bearish factors, together with the low cost of materials in the pipeline, should keep inflation on a falling path well into 1997. But the Bank fears that inflation could turn up again after the election, due by the spring.

Consumption is likely to be stimulated by a faster rise in real disposable income, higher personal wealth and windfall gains from sources such as building society payouts. Broad

Joblessness and growth



money is rising at the top end of the government's monitoring range and narrow money is well above official range. The fiscal deficit is 3 percentage points higher as a proportion of gross domestic product than forecast 21 months ago. Five-year and 10-year inflation expectations derived from the gilt-edged markets are 4½ per cent to 5 per cent.

But having said all this, both the financial markets and the economic forecasts are capable of being wrong; and one should not dismiss too casually the bulk of the evidence of the labour markets. The Bank itself is sufficiently sensitive to the risks to have examined in its bulletin some recent suggestions for automatic feedback rules which would make policy less dependent on official discretion.

One of these suggestions is the Taylor rule. This makes interest rate policy depend on an estimate of the equilibrium real rate of interest adjusted for actual inflation, the difference between that and the official target, and the capacity gap. The economic relationships are plausible. But as an operating rule it seems to me fundamentally flawed because it involves guesses about highly controversial and unobservable magnitudes, all piled on top of each other. If we knew them it would be much easier to

BOOK REVIEW • Deborah Hargreaves
ESCAPE TO THE FUTURES: By Leo Melamed with Bob Tamarkin
John Wiley & Sons, 463pp, £17.95

Founding father with messianic zeal

Everyone has a favourite anecdote about Leo Melamed and it always involves a tale of a lunch, interview or seminar spent with him dodging between a computer screen and a telephone to check on his futures trading position.

He says himself that he "never let anything stand in the way of trading the markets". Once he called at Sam from a hospital bed before having tests on his gall bladder - and he refused to have the tests until trading stopped eight-and-a-half hours later.

Melamed is the quintessential trader, everyone's idea of a futures dealer: a loud, brash, opinionated risk-taker. But as the driving force behind the Chicago Mercantile Exchange for 25 years, he is also the founding father of financial futures, a development which has changed the face of international finance.

He is not modest about his achievements: "I used to joke that I had to come on the floor every day to show the crowd that the legend really existed," he says. And he talks with messianic zeal about his "mission".

His autobiography is a history of Chicago's financial futures trading: from the early 1970s when the Bretton Woods agreement was still in force and individuals were not even allowed to trade in currencies, to the 1987 stock market crash which saw grown men crying in the gents' toilet at the Merc.

But just as fascinating is the account of the Melamed family's flight from war-torn Europe. As Jews in Poland in 1939, his family had to be constantly on the move to outwit the authorities. The eight-year-old Leif - later Americanised to Leo - fled from Poland to Lithuania, across Siberia to Vladivostok, on to Japan and

finally to the US. It was a haphazard, frenetic struggle for visas and tickets that meant the difference between life and death to Jewish families in 1940. But to the young Melamed, it was an adventure during which he learnt four new languages in two years.

His painful attempts to become accepted in the US, his adopted land, as a short-er-than-average Jewish boy who spoke Yiddish and could not play baseball are echoed later in the book by his struggle to gain credibility and ultimately respectability for financial futures.

Business Week hailed the nascent currency futures market opened in 1972 as "strictly for cragsboaters" and the image has persisted in the minds of some bankers and regulators.

He was an outsider pressing an upstart new product - currency futures - on to the blue-blooded establishment world of US banking. It was no surprise to him when one of the early supporters of his new market presented him with a 1,300ft computer printout showing how the cumulative risk produced by currency futures would one day bring down western civilisation. There are many who still share that opinion.

That apocalyptic view seemed almost vindicated in 1987 when the Merc's stock index futures became the scapegoat for the October 19 stock market crash. Melamed describes the witch hunt in his usual style: "I could feel the earth beneath the Merc's building shudder as enemy forces gathered to invade. We were about to enter the battle of our lives."

But Melamed's habit of courting influence in Washington for many years paid off. He managed to fend off overly restrictive legislation on the futures market. And he headed off criticism of Chicago in the 1989 FBI "sting" on the markets even though at the time he was receiving many anonymous letters accusing him of wrongdoing.

Melamed fell into futures by accident, as a law student in Chicago, when he answered an ad for what he thought was a law firm - Merrill Lynch, Pierce, Fenner & Bean - requiring a "runner". He found himself at the Merc - a place he had never heard of and which he describes as "Alice through the Looking Glass into a world of not just one Mad Hatter, but hundreds".

After 15 months at the Merc, where he graduated to a phone clerk, he started trading on his own account. He soon ran up a loss, but never looked back. Melamed rapidly became an important figure in exchange politics, taking the Merc from a third-rate marketplace trading eggs and onions - which he jokes could be manipulated by a couple of housewives getting together - to the forefront of financial futures trading.

Melamed retired from the Merc in 1991, but he continues to be a tireless supporter of futures trading.

His book is an intriguing insight into one of the world's last bastions of open outcry trading and will be read eagerly by insiders.

But Bob Tamarkin, a well-known Chicago journalist, who co-wrote it, has not been tough enough with Melamed's hyperbole. The book would have been better for being half the size. Its 463 pages are stuffed with the names of traders, regulators and lawmakers, leading to an appeal to the lawyer and making it easy to lose track. At one point Melamed seems to compare the creation of futures to the invention of fire; futures may be important, but not that important.

Escape to the Futures is available from FT Bookshop, Ring FreeCall 0500 418 419 (UK) or +44 181 564 1251 (outside the UK). Free p&hp in UK

LETTERS TO THE EDITOR

Number One, Southwark Bridge, London SE1 9HL
We do not accept or encourage letters from readers abroad. Letters may be filed to +44 171-673 5938 (please set fax to 020) or e-mail: letters@ft.com. Published letters are also available on the FT web site, <http://www.ft.com>. Translations may be available for issues written in the major international languages.

Software exists to keep children away from adult Internet sites

From Mr Mike Parr.
Sir, It appears that Scotland Yard would like Internet service providers to act as unpaid guardians of morals by enforcing the subjective standards of others ("Internet porn may be blocked", August 10) How this is to be achieved is unclear.

First, no clear definition of "pornography" exists. One person's erotic picture is another's pornographic image. Doubtless Scotland Yard will bring its usual clarity to this issue.

Second, as your article points out, there are more than 20,000 Usenet groups (and growing). Of these, a few thousand refer in one way or another to sex. This is not a stable, easily monitored population. Thus, compiling a list of sites "forbidden" to adults is pointless. Of course, if the police want to provide

service providers with a regularly updated, comprehensive list of "naughty" sites we will be happy to use it.

However, for reasons given above, the police may find that this is ultimately futile. Demon is correct in stating that police efforts and threats simply hide a global problem which will not be resolved by local, poorly thought out initiatives carried out under duress.

If the police are concerned about keeping children away from such content and cutting out child pornography there is good news. A wide range of software exists which gives good results in keeping children away from "adult" sites. Any half-responsible ISP offers such a service as part of its basic package.

Concerning child pornography, as a provider

we welcome input from all quarters regarding Usenet groups that deal in this. We have no compunction in making these groups inaccessible. Furthermore we would pass any information gained from our subscribers concerning these sites to other service providers and to the police.

I believe that the above approach represents a realistic response to the two most pressing issues for the Internet in general and service providers in particular. Concerning the rest, many people may find many Usenet groups objectionable. The simple answer is not to visit them.

Mike Parr,
marketing director,
SAQ Network Services Ltd,
Unit 162,
Lee Valley Technology Park,
Ashley Road,
London N17 9LN, UK

Largest single market

From Mr Frank Jenkin.
Sir, Sir Geoffrey Howe ("When it's right to resist", August 7) repeats the claim that the EU is the largest single market in the world. OECD statistics show that in 1995, on a purchasing power parity basis, the economic activity of the US was more than 2 per cent greater than that of the 15 EU nations; while that of the North American Free Trade Area was more than 19 per cent greater.

At present on this basis, the 15 EU nations produce some 20 per cent of world economic output. By the year 2100, that share will have shrunk to some 11 per cent on differential population growth alone, and to some 10 per cent allowing for even a small amount of catching up in living standards by the developing nations.

Frank Jenkin,
Rookery Lodge,
Tregenna Fields,
Camborne,
Cornwall TR14 7QS, UK

On track to provide a toll road

From Mr Roger M. Bale.
Sir, It can only be a question of time before Railtrack discover that by removing the tracks from certain of their under-utilised routes, they can provide a toll road on which all the bus companies, lorry companies etc. can compete.

Each could pay a separate access fee (toll) to operate on a grade-separated route, fenced off from the public upon which they can travel at a constant 70mph away from the motorist.

This traffic will not require government subsidies and will provide a level platform upon which true competition can take place.

Roger M. Bale,
Ecogue Berg,
St Clement,
Jersey JE2 6PT, CI

Electronic shopping

From Ms Celia Hampton.
Sir, The failure of electronic shopping to take off ("Warning over on-line shopping", August 12) is deeply disappointing to those of us who dread the weekly trudge around the supermarket.

Glimmering Internet sites with virtual aisles and trolleys may be going too far. A more modest plan that really helped the reluctant shopper might get the ball rolling.

At least half the things one has to buy each week are either branded items or commodity goods (eg bin bags). The rest - bread, greengrocery, meat, fish, cheese - would be much more agreeably and satisfactorily bought in smaller shops.

The brand/commodity shopping list could be e-mailed to an electronic warehouse for collection later, or the warehouse could deliver it to the home. Payment could be made off-line through a

conventional store account.

This is not a futuristic solution. In 1992 a Spanish acquaintance living in Paris and working in Brussels told me that he regularly e-mailed the local Paris supermarket on Fridays so that his weekly shopping was waiting for him when he got home for the weekend.

Perhaps the supermarkets are developing a plan along these lines, but it seems unlikely. It would not accord with retailing economics as perceived by the buying public.

On the other hand, it might persuade us to become less sceptical. It is a pity that we may never learn any better. At 2795, the consultancy report featured in the news item will hardly be bedtime reading for ordinary shoppers.

Celia Hampton,
editor,
FT Business Law Europe,
40 Anson Road,
London N7 0AB, UK

Numbering system

From Mr Garth E. Ashworth.
Sir, I note with interest the confusion and acrimony arising from the interference with and changes to the UK national telephone numbering system (Telephone users face numbering overhaul, August 6).

It may be of interest to know that a similar problem of a shortage of lines in Italy's major cities was resolved by the simple act of increasing telephone numbers in some areas to eight digits and, quite rightly, leaving city codes unchanged.

Garth E. Ashworth,
Piazza Anco Marzio 13,
Lido di Ostia,
00122 Rome, Italy

The Landmark London

S INDIVIDUAL AS YOU ARE

It doesn't matter to us how you get here, as long as you feel you've arrived.

Anticipation, as the saying has it, is better than the realisation.

Except, that is, when your final destination is The Landmark London.

Here, at last, is a five star hotel that lives up to all your expectations.

Built in 1899, and impeccably restored in 1993, it has all the visual pomp and circumstance of a grand London hotel. But, in terms of service, none of the pomposity.

Instead, we treat you, our guest, the way you'd expect to be treated by your friends and colleagues - as an individual.

So while our staff will always be friendly and helpful, they'll never be intrusive.

In terms of service, individuality translates into choice. From the range of rooms we offer to the range of drinks in our Cellars Bar.

Even in the way you dine. (With appropriate formality in our gourmet Dining Room. Or, more informally, in The Winter Garden).

But then, that is what is so individual about The Landmark London.

It's a relaxing and thoroughly pleasant place to stay. Which perhaps is not so surprising. When you're here, all we ask you to do is be yourself.

Represented by:
SUMMIT
INTERNATIONAL HOTELS
ATA

The Landmark LONDON

FOR INFORMATION & RESERVATIONS, SEE A TRAVEL AGENT OR CALL US DIRECT ON 0171 631 8398 QUOTING REF 171
THE LANDMARK LONDON, 222 MARK LEBONE ROAD, LONDON NW1 9PL, ENGLAND

صلى الله عليه وسلم

COMMENT & ANALYSIS

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL
Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700
Thursday August 15 1996

A solution for French banks

There are two separate issues intertwined in the latest developments in the saga of Credit Lyonnais. The first is the extent to which political motives lie behind last week's announcement of a criminal investigation into the bank's former management. The second is the future shape of French banking now that it has become clear that the current rescue plan for Credit Lyonnais will not work.

A failed exam

The GCE A Level examination, which was once used to keep unsuitable teenagers out of university, has now become the talisman of success for a large cohort of British youth. In the last 30 years, the proportion of school children going on to university has increased almost sevenfold, from around 5 per cent to about a third.

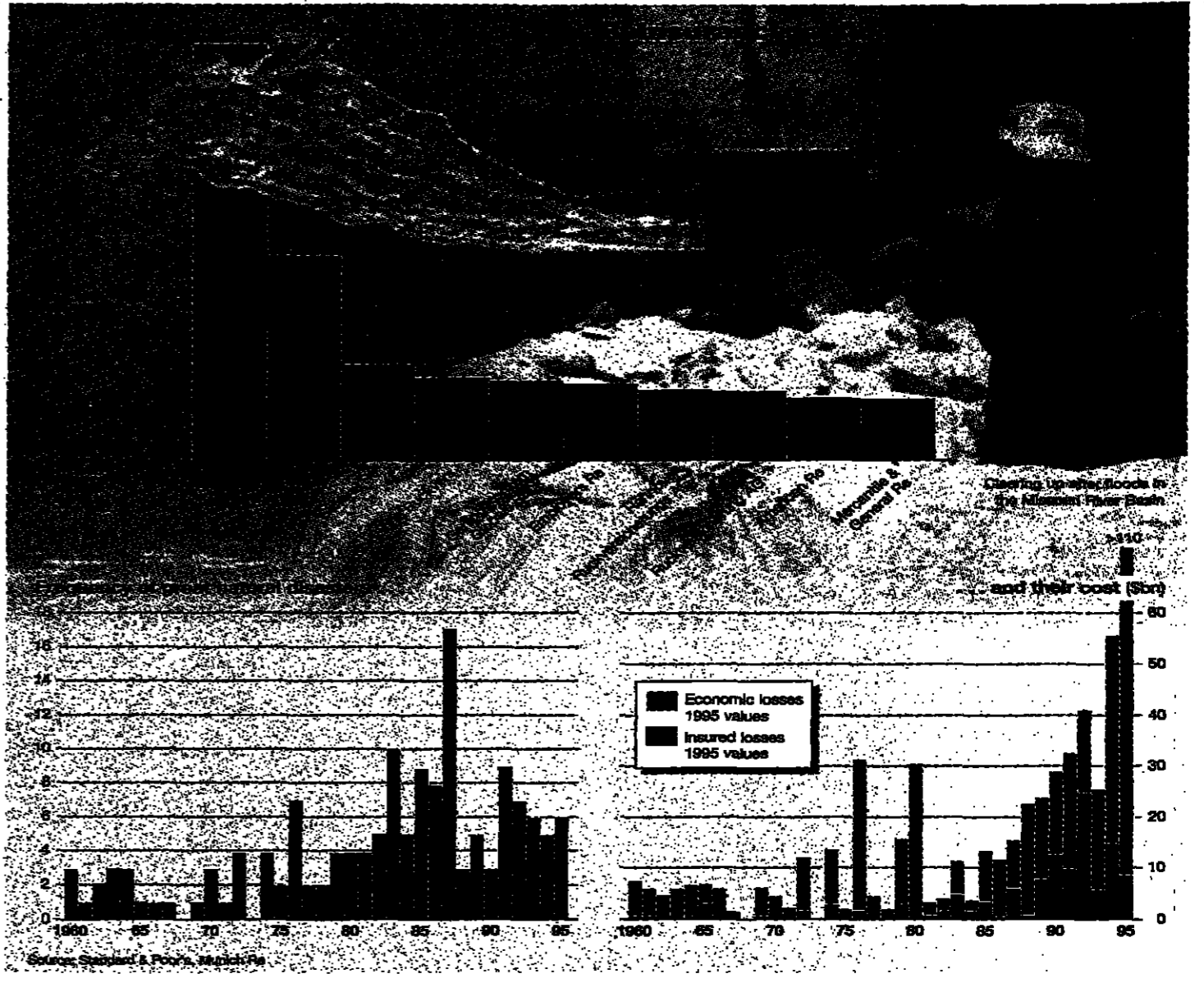
Bosnia's vote

When Mr Plavio Cotti, the Swiss foreign minister and chairman-in-office of the Organisation for Security and Co-operation in Europe, gave the green light in June for elections to go ahead in Bosnia on September 14, he warned that certain minimal prerequisites would have to be met in the interim.

Like earthquakes, take-overs among the world's large reinsurers are hard to predict. Nor are the consequences always immediately clear. But yesterday's \$3.3bn (\$2.1bn) acquisition by Munich Re of US reinsurer American Re is the result of powerful forces that require a bold response from the reinsurance industry, which protects conventional insurers against the costs of catastrophes and other losses.

Stiff competition among reinsurers has resulted in steep falls in the prices they can charge. At the same time the rising cost of disasters is encouraging consolidation into larger, more efficient units, better able to spread risks and pay the biggest claims. The spread deal takes Munich Re from fifth place in the large US market to a position where it can breathe down the necks of General Re and Employers Re, the largest US reinsurers.

More recently, Munich Re's smaller rivals have also been building operations in the US. Last month General Re announced plans to acquire US rival National Re for \$940m. For its part, Employers Re had been tipped as a possible buyer of American Re from its majority shareholder, Kohlberg Kravis Roberts, the US buyout specialist. Munich Re - which had previously denied it - was in a bidding war for American Re.



A premium on size
Ralph Atkins on the pressures facing the global reinsurance industry after Munich Re's \$3.3bn deal

market and are becoming more demanding. Mr John Pelly, chairman of non-marine reinsurance at Willis Corroon, the insurance broker, says reinsurers are having to offer an increasingly sophisticated range of products to insurers aware that conventional insurance exposures are only part of the risks to which they are vulnerable. "They are going to have to absorb other types of exposure - to interest rates, currency movements and equity markets, for example," he says.

Insurers of large disasters is rising fast as humans build larger, more expensive buildings in areas prone to flooding, storms or other perils - and buy more insurance to cover the risks. A hurricane sweeping through New York or a large earthquake in California could cost \$100bn or more. In the absence of such catastrophes, many underwriters are happy to cut rates. Were a disaster to strike, many would go out of business.

OBSERVER

From rags to riches
Policewomen's uniforms, and we would have no difficulty for any type of city cleaner (robustness). We're only waiting for a clearer request before deciding.

Run out of luck
Good news for those Czech Olympic athletes who, Observer reported last week, weren't going to be paid all of their promised bonuses - amounting to a chunky Kc4.4bn - for winning a remarkable 10 medals in Atlanta.

Manuel's labours
South Africa's finance minister, Trevor Manuel, is developing a knack for getting into hot water. His latest escapade involves the local national debt - rugby. New Zealand's All Blacks beat

South Africa's Springboks 29-15 at last Saturday's test in Cape Town. President Nelson Mandela is a staunch Springbok supporter but Manuel - no mean rugby player in his youth, apparently - rooted for the All Blacks, shocking the nation's rugby fans.

Old pals act
And a final odd note concerning the current Republican party shenanigans. The Financial Times of course is in the pocket of no US presidential candidate. But in the interests of disclosure one fact should be noted.

Who's on first?
Football metaphors are all over San Diego in the US this week, following the choice of the old quarterback, Jack Kemp, as

100 years ago

Washington
The deficit of the United States Treasury for the first 45 days of the fiscal year was about a million dollars daily. Up to the present, the deficit for this month amounts to \$1,505,565. The withdrawals of gold from 4th to 13th August amounted to \$3,988,000.

50 years ago

Warning to exporters
Evidence that buyers of British goods abroad are becoming more discriminating is quoted in a circular to members of the Wholesale Drapers' and Hosiers' Export Group as a warning against unloading goods of inferior quality on overseas markets. The circular states that complaints have been received, particularly from the Scandinavian markets, about the quality of the goods received and the prices charged.

ig father
sianic zeal

EDITOR

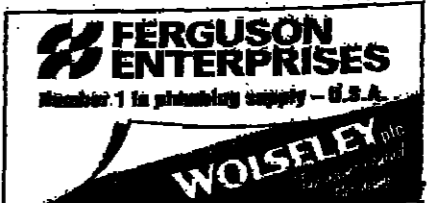
Children
sites
Largest
single
market

Numbering
System

"Prepare reserves", then act as though you have no reserve at all. This is the secret of a stable business."

FINANCIAL TIMES

Thursday August 15 1996



Bosnia and Croatia to strengthen alliance

By Laura Silber in Geneva and Kevin Done in London

US Secretary of State Warren Christopher yesterday won assurances from the presidents of Croatia and Bosnia that they would shore up their shaky alliance a month ahead of Bosnia's first post-war election on September 14.

topher yesterday summoned the presidents of Bosnia, Croatia and Serbia to Geneva. In a joint statement issued after the emergency summit, President Franjo Tudjman of Croatia and his Bosnian counterpart, Mr Alija Izetbegovic, yesterday reaffirmed their commitment to "strengthening the Federation as the cornerstone of the peace process".

and Montenegro announced that they would hold elections on November 3 for their shared federal parliament. The three Balkan leaders reaffirmed their Dayton promise to work together after elections for the "rapid establishment" of joint governing institutions to join the Moslem-Croat Federation and Republika Srpska in a loose union.

Blow for Thai PM as partner pulls out of coalition

By Ted Barwick in Bangkok

A central member of Thailand's ruling seven-party coalition pulled out of the government yesterday, casting doubts on the future of prime minister Banharn Silpa-archa, whose administration is fighting off a wave of corruption allegations and economic worries.

Mr Thaksin Shinawatra, a telecommunications tycoon and leader of the Palang Dharma party, the third biggest member of the ruling coalition, said his party was leaving the government because "it had listened to the people".

Two other parties, the Moon Chon and Nam Thai, said they were also considering pulling out.

The PDP's move came a day after the Thai cabinet blocked the finance ministry from awarding new domestic banking licenses until a special committee had investigated allegations by the minister that bribes were paid during the licensing process.

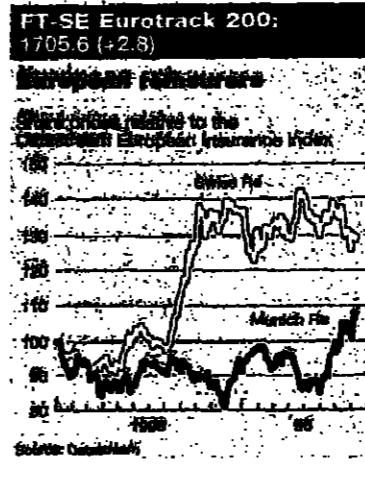
The PDP's withdrawal leaves the government with a slim majority in Thailand's 391-member parliament. The government would lose its majority if Nam Thai and Moon Chon withdrew from the coalition.

Mr Banharn may preempt this by calling new elections. A simple loss of his majority could pave the way for General Chavalit Yongchaiyudh, defence minister and leader of the coalition's second largest party, to try to form a new government without going to the polls.

Mr Banharn asked the PDP, which pulled out of the government once before only to rejoin it a few days later, to reconsider its decision. "Palang Dharma should not abandon the government at a time of crisis like this," he said.

THE LEX COLUMN Munich Re-gresses

Munich Re's \$2.5bn acquisition of American Re may not dilute earnings, but that is hardly a proud boast. It is truly only because the German reinsurer's share earnings are so pitiful in the first place, Munich Re's "true" return on equity - after estimating its hidden reserves - is about 7 per cent.



not happen before late 1997. Other possible floatations, such as the AgriEvo agricultural joint venture or the industrial gases businesses look even further away. Until then, Hoechst deserves to trade at a discount to the sum of its parts.

This is not to deny that the deal has some strategic logic. Munich Re, an old-style reinsurer, could gain expertise from the more innovative American Re. Sber size and better geographical balance should also allow it to spread risk more effectively. But benefits from these sources will be counterbalanced by a higher tax rate, which could rise from 27 per cent to nearer 35 per cent. Investors should also be concerned that Kohlberg Kravis Roberts, the buy-out fund which is American Re's majority shareholder, has hinted it up for sale.

Munich Re may well want to build up its US position. But it could have done that more cheaply if it had expanded organically instead of pulling back in the 1980s. The worry now is that it is more concerned with empire-building than improving shareholder value.

French franc Mr Alain Juppé may have dismissed recent franc weakness as a storm in a tea-cup, but the French prime minister still saw fit to interrupt his holiday to say so. He was right not to be complacent. The franc is not in crisis, but it could yet go that way.

Emu without France is inescapable, yet spending overruns and weak revenues make it ever more improbable that it can qualify without some hedge. So long as this tension persists, markets will be very sensitive to any signs of weakening commitment to the franc fort and Emu from French politicians.

President Jacques Chirac's criticism of monetary policy last month played to precisely these fears. So too do rumours of a rift with Mr Jean-Claude Trichet, the central bank governor.

The next big hurdle for the franc will be next month's budget. Insuffi-

cient fiscal stringency will unnerve the markets. But with unemployment over 12 per cent and growth stagnant, stiff medicine could drive people on to the streets. Neither scenario augurs well for the franc, although it is probably too soon to anticipate speculators unleashing their full fire-power.

The real reckoning will come only when decisions on who qualifies for Emu, still 18 months away, are much closer. Even if the franc gets into serious trouble then, speculators will still be wary of another drubbing by the Bank of France and the Bundesbank. The odds must favour the central banks holding the line, but they are likely to face some sweaty moments in the interim.

Hoechst Hoechst has turned into a stock market darling since Mr Jürgen Dornmann, its chairman, embarked on his quest to improve shareholder value. Over the past 18 months, a difficult time for chemical companies generally, the group's shares have gained 50 per cent, outperforming the German market by a quarter.

Much of the excitement is the result of speculation about a spin-off of the group's drug business - the fourth largest in the world. While Hoechst is working on a separate legal structure for the division, it is not thinking of an Imperial Chemical Industries/Zeneca-style demerger, which would create the most value. A listing of a minority stake is more likely, both to avoid German capital gains tax and to allow Hoechst to retain management control. And even that will

Additional Lex comment on investment trusts, Page 14

Japan shocked by kidnap of Sanyo chief in Mexico

By Michiyo Nakamoto in Tokyo

The abduction of a Japanese executive in Tijuana, Mexico, has shocked the business community in Japan and reawakened public concern over companies' security and crisis management measures.

Sanyo Electric, the Japanese electronics maker, said yesterday no progress had been made with the abductors, who are demanding \$2m for the release of Mr Mamoru Konno, president of Sanyo Video Components, a Californian subsidiary of the Japanese company. Sanyo is believed to be prepared to pay the ransom but has not been able to contact the kidnapers since Saturday night, when the company learned of the abduction.

car park as he was about to leave a company baseball game on Saturday.

Japanese diplomats and Sanyo officials are reported to have urged Mexican police yesterday to be careful to avoid endangering Mr Konno's life. The incident comes just a week before Mr Ryutaro Hashimoto, Japan's prime minister, is scheduled to visit Mexico, and during a week-long summer holiday for many corporations in Japan.

Many Japanese manufacturers have set up operations in Mexico, which has offered an attractive production base for companies seeking to lower costs to remain competitive. The maquiladora industrial district along the US-Mexico border, including Tijuana, has drawn substantial investment from Japanese electronics companies, which take advan-

tage of the tax exemptions on components imported from the US and on finished products exported back to the US.

Sanyo, which makes televisions, video recorders, refrigerators and batteries in Mexico, has one of the largest operations in the country. All the big names in electronics, from Matsushita to Sony and Toshiba, are represented there. Japanese companies have strengthened their security precautions in recent years, particularly after the abduction in 1986 in Manila of a Japanese manager at Mitsui, the trading company, which caused widespread alarm.

Matsushita has a security training programme for staff and has been more aware of the dangers since the president of its subsidiary was abducted and murdered in Costa Rica in 1992.

HSBC to challenge ruling

Continued from Page 1

this case as far as it needs to go. Separately, the union appealed to a lower court on disputed issues in the labour agreement. The court ruled in favour of the bank, but the union indicated it would appeal.

Industrial action at foreign banks in Indonesia usually arises every two years, with the renewal of the CLAs, the traditional mechanism for

negotiations between foreign institutions and unions. However, foreign bank managers have been increasingly irritated by the CLAs because of the time consumed in negotiations. Local banks do not have CLAs as their workers do not have unions.

The dismissals surprised the union, which is part of the All-Indonesia Workers Union, the only one recognised by a government which keeps tight control over organisation of labour.

Munich Re

Continued from Page 1

from reinsurance from nearly DM15bn to around DM2.5bn (\$15.2bn). Last month Munich Re agreed an exchange of outside shareholdings with the Allianz insurance group - the two own 25 per cent of each other's shares - leaving the reinsurance group with control of Germany's biggest health insurance company. This will raise its non-reinsurance premium income from DM10bn to DM14.5bn.

Mr Banharn is a skilful political survivor and his government is expected to last through the present debate over the budget bill.

He will then have to negotiate a host of contentious issues over the next six weeks. Each issue could prompt the prime minister's resignation, a reshuffle within the coalition or a dissolution of parliament leading to an election.

FT WEATHER GUIDE Europe today Conditions in western Europe will improve as an area of rain moves towards Poland and southern Sweden. The rain will be accompanied by thunder in Belarus and Ukraine. Sunny periods are expected in the Benelux and northern France. Southern France, most of Portugal and Spain will have a lot of sun although thunder showers are expected in eastern Spain. Rain and thunder showers will also occur over central Italy. Most of the Alps will have sunny periods. Showers are likely in Austria, Greece and Turkey will be mainly sunny. Five-day forecast Western Europe will be dry and partly sunny. Eastern Europe will have rain. Most of the Mediterranean will be fair but showers are expected in southern France and northern Italy by the weekend.

WHEN WE INVEST IN A COMPANY WE'RE NOT INTERESTED IN ITS WORTH. ONLY YOURS. For more than thirty-five years Gresham Trust has been investing in management rather than just figures on a balance sheet. If we're convinced that you have the ability, commitment and track record, we'll back our judgement whether you're raising £2m or £20m. And because you're the customer we think you should be the judge of when to sell - an approach that ensures you remain in control of your own destiny at all times. Whether you require equity capital for a management buy-out or for your company's expansion, call Trevor Jones or a member of his team on 0171-606 6474. You'll find they're well worth talking to. GRESHAM TRUST EQUITY CAPITAL FOR MANAGEMENT Gresham Trust p.l.c., Barrington House, Gresham Street, London EC2V 7HE. Registered by The Securities and Futures Authority.

مركزنا من الأصل